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SEPTEMBER 1953

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SEPTEMBER 1953

# The CREDIT WORLD

REGISTERED IN THE UNITED STATES PATENT OFFICE

OFFICIAL PUBLICATION OF THE NATIONAL RETAIL CREDIT ASSOCIATION

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Volume 41

September, 1953

Number 12

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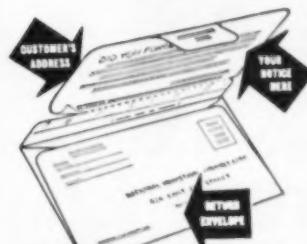
CIRCULATION OF THIS ISSUE 36,000

Entered as second class matter at the Post Office at St. Louis, Mo., under the Act of March 3, 1879. Published Monthly. Subscription \$3.00 a year, to members of the National Retail Credit Association only. Articles published in The CREDIT WORLD reflect the opinions of the authors and not necessarily the viewpoint of the National Retail Credit Association. Reproduction privileges of original material are hereby granted, provided usual credit is given. Please advise us immediately of any change in your address to avoid interruption in receiving The CREDIT WORLD.

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# The Unfinished Dream

Arthur C. Horrocks

Public Relations Counsel  
Goodyear Tire and Rubber Company  
Akron, Ohio

(An Address Given at the Annual Conference of the N.R.C.A., New Orleans, La., June 24, 1953)

THE POPULATION of the world, at the present time, is about two billion, 400 million people, while the population of the United States is approximately 162 million, or 7 per cent of the total. The United States has 71 per cent of the monetary gold bullion of the world and at the same time, two billion, 200 million people have less than 30 per cent. What kind of a job would you or I have were we credit executives in some place outside of the United States and try to erect a credit structure on which to do business?

Above everything else you could understand why Mr. Churchill or any other person might have his hands out asking for a little credit, a little money or a little gold. I make no recommendation as to what your answers shall be. I only want you to see something that is perhaps a little unusual and yet should be considered one of the facets at least to study and a little different approach than you might have had up to now. *Your nation is poised between the past that cannot be recaptured and a future that you must win.* There is a heavy fog all over the world. The visibility is not good. You cannot say for certain what is going to happen next month or the month after. We cannot even tell what is going to happen in Korea with all of the power we have. There is a similar story to this when it comes to looking into the faces of these people throughout the world, whose eyes are turned on us wondering what kind of a deal the Asians are going to have and how we are going to behave ourselves.

They are looking to us because we have so many more of the material blessings of life so out of proportion to what they have. I wish you could put yourself in their place for just a few moments. I am not selling anything but a better understanding of your particular job and your day tomorrow. You have so much food in this nation that there are 10,000 calories of food per day per family. The world average is 3,000 calories of food per day per family and there are some spots in this world like Canada and the smorgasbord countries that eat just as well if not better than we do. That means that the number of calories of food per day is just that much lower in other sections and that is the truth.

Twenty and five-tenths million people have never known the satisfaction of a full stomach since the day they were born. Two million, one hundred and eighty-three thousand died of starvation in India alone year before last. It is too far away for any of us to bother with, but this statement will bother you. *Hungry men are never peaceful men.* It is not the bullets or the tanks; it is not the guns; it is not the power that we are able to throw around the world; but it is a different attitude and I am no pacifist. But these are the things we must

pay attention to and if we are going to realize a fine conclusion to this unfinished dream we must take stock of our position at the present time comparable to the positions of other unfortunate people throughout the world. We live on 6 per cent of the land acreage with 7 per cent of the population, yet we have all of this gold, but I do not know what it is good for, do you?

We have it buried in our back yard over at Fort Knox. I do not know what is going to happen either when we get 90 per cent of the gold bullion of the world. I cannot answer that. I do not know what the future is going to be. The only thing that I feel tense within me at the present time is that we have absolutely no choice except a perilous experiment or else be a quitter. We have never been known to be quitters. And that does not lift any of the fog off your mind either.

Let us see what there is here. We have the gold, 81 per cent of the automobiles of the world belong and are registered in the United States, and that leaves 19 per cent of the automobiles of the world for other folks. We have half of the telephones of the world, a third of the railroad mileage and so on. It is an imposing inventory. We have built it over the years because of only one significant difference between our civilization and all civilizations, dead and living, and I will have to put it into a form for you to understand, and here it is: *Man's material progress equals natural resources plus human resources multiplied by tools.* There is the difference.

Russia may have from four to eleven million human slaves behind the iron curtain but when we sit down and push the pencil for a few moments and we add up all the water power, the electric power, steam power, and gas power that we use in the United States and then factor that in to find what it means in manpower that is working for us, we come up with the equivalent of 157 human slaves working for every one of the 61 million gainfully employed. No people have ever had such workers. We do not have to feed them or sleep them or guard them. When we are through with them we turn a little switch or valve and they stay right there for our bidding the next day when we come back and turn them on again. They have taken the burden off of man's back and they have given us the magic that has built all this enormous wealth.

## What Does It All Mean?

Then as we look around us we sometimes wonder what it all means. Seriously, do you think anybody would be forgiven for going down on his knees and asking an almighty God for more material blessings when we already have them so out of proportion to all the sons of men? This may be noted by you as extracurricular work but

there is a fascinating conclusion to come. Without seeming too big let me do two things. The first is to show you footprints in the sands of time and the second is to ask you what you would do. If you look at the footprints in the sands of time you will find the first civilization lifted its head over in ancient China. It died because they indulged in ancestor worship. That was their religion and their worship. They were always glorifying the deeds of the past. They had no program and no plans for tomorrow. They always lived in the past. And it is true of any nation, it is true of a corporation and it is true of a person who has no active plans, he dies a little every day. After China died, the next footprint was laid down by India. The ultimate mistake was the caste system with untouchables and a house divided against itself cannot stand. The third footprint was put down in Egypt. Their mistake was predicated their civilization and their wealth on the enslavement of an entire race and when that race walked across the Red Sea, they had forgotten how to work and they did not want to work anyhow, so they were done.

The next footprint was Greece. It grew fabulously wealthy through the commerce of the then known world through her ports. She had so much time on her hands she worked only four hours a day. The rest was spent in pleasure, in art, architecture, philosophy, and music, and she did not notice the awakening of a strong race to the West until Rome had enslaved her. And then Rome threw her weight around the world. She siphoned off the spoils of war and about the time there were three slaves for every free Roman, she no longer wanted to risk her life in war but she wanted to stay home and enjoy it. She increased taxes on the slave nations instead. And so they became so high they were broke and then Rome was finished. Civilization went begging for a while until a little half pint of a man, born on the isle of Corsica nearby, picked up the torch of leadership and fanned it into a living hateful fire and then strode across the highways of Europe. At Waterloo the British took it away from him.

England made some mistakes when she first started her strong world power. She profited by those mistakes and now gives as much power to the people she holds as they demonstrate they have the ability to handle. But the next footprint is on your land. The Palestine Mandate was given up by the British. India is gone. Egypt is seething to get out from under that domination. I do not like to say these things. England is the dearest and the strongest ally that stands with us today and God knows we need help. But you cannot escape the fact that the footprint has finally been imprinted here.

### **Strong People Must Lead World**

Now will you do one other thing for me? Without any irreverence will you pretend, for a few minutes, that you are God? Look over your world now because here is a troubrous time and you need a strong people to lead the world. As your eyes scan over the dark continent of Africa you remember what the different phases and ages meant to man: the bronze age; the iron age; and the gold age; and then you came into the new production technique over in England and then we had it here in the Detroit area. Every time something new is born there is a little twinge of pain. There is traveling and

suffering and if it is the first time, there is a little fear and God knows we have fear throughout the world at the present time. So, while you are looking over your people you know that somebody must be nominated to usher in the biggest age that man has ever yet known. There is no leadership on the continent of Africa. You look quickly over Europe and Asia with their centuries of hate against one another, their suspicion, their greed and their striving for power, and there is not a promise there. Australia is not big enough. Central and South America have revolutionary governments and instability. You pause for a moment as you affectionately consider your Northern neighbor so much like ourselves who are well prepared and so powerful in the days that are yet to come but she has not discovered her own wealth and what she has in her back yard. She is not ready.

By process of elimination, were you God, you would say, "Here is the last vast hope on earth." Maybe that is one reason why we have been brought together in one family of all the blood streams of the world and have been taught to live together in tolerance and peace and red-blooded affection for this big day and the job that lies ahead. I refer to the atomic age and I do not mean atomic destruction. These are big thoughts but when your old men dream dreams and your young men see visions and they begin to step out on some of the promises is it any wonder that we have been nominated for this? I know of your mistakes of omission and commission. But with all of your mistakes and with all your cantankerousness I still nominate this group on the North American continent as the finest group of brotherhood that has ever been flowered in the world.

I trust them farther. I have never been cheated in the past and I do not intend to spend the rest of my days worrying for once about being cheated in the future. I have always received value for what I have given. Now the price tags are being raised. The mortgage is high. We are caught in a dilemma of giving our money away to the rest of the world and then having other currencies valued up ahead of us with a little sneer. We do not like it but we are going marching on. And there are those of us who have gripped and groaned about being a Santa Claus to the rest of the world and I was one of them at different times. I did not discern that there was that unwritten law of life that says, "Deserved reward varies directly with service rendered." We rendered the service to the world while it was necessary and in return came in that trickling stream of yellow metal. We have it. That is our reward.

But hearts that are conditioned on the principle of service can do some inquiring things. We have reached the point where everything has to be talked about on a large scale. I am sorry that some people think this is American boasting. I offer it in all humility. These are the records. The cards, I turn face up on the table. Will you please study them? There is no propaganda there. That is the face value. And as you study that will you kindly ask yourself, "What about the future?" The only way we have been able to grow great and have this abundance to shower out on our own people and the people of the world is to find ways and means to decrease the unit cost of each manufactured article and each service rendered so that more people could enjoy them and so we can share them with a greater number of people.

Of late we have reversed the field. *How can I get more money by doing less work?* That will offer us nothing but disaster. I know of only one way that this people can march out of this dilemma and that is by earnestly and honestly doing just a little bit more than we have done in the past. We have our talents. We also have an obligation to the rest of the people that we associate with. If you want to be a leader in the community (and I refer and speak to you younger folks that are just beginning to find your credit wings), I submit that one of the best ways in the world to develop leadership is to find somebody down that you can lift up and pull on and tug along. It will cost you a little of your time and cost a little money. You will have to worry and fret a little bit. But how else can you develop the leadership tug that you want? And you have all got a chance here in an organization like this and among your executives to reach up and get a tug yourself once in a while. What a thrill it will be when you can someday say, "Mr. Boss, meet Mr. Junior," and pull them together. You will never have any satisfaction in material dividends that will equal those nonfinancial dividends of building manhood and seeing it go on and much of it going on beyond your capacity to be bigger and better.

#### **The Time Clock of Civilization**

There is a time clock of civilization also. I have discovered in some of my research that all of these civilizations go through a definite cycle. And we are no exception. All of them have gone, first of all, from slavery or bondage into spiritual faith. This is the first step they have made. I am not referring to any one kind of religion. The spiritual faith, in turn, breeds courage and from courage they go to adventure; from adventure to conquest; from conquest to high prosperity; from prosperity to selfishness; and from selfishness to dependency; from dependency to apathy; and from apathy back to slavery. Read your histories. What time is it, Mr. and Mrs. America? It is high noon. We have great prosperity. Now we see we are stepping into selfishness. That would be the case but for only one thing and that is something new has been added. It is called the atomic age.

If I could only take you into some of these houses of magic and show you some of the things that are taking place. You can, if you wish, read the study in *Collier's*, which appeared some time ago, showing the little space plane that is going to circle for 68 days and pick up all the information flying around the earth at 17,000 miles per hour with three living monkeys within it. Or better still, I would like to take you into the house of magic out on the West Coast and show you the plans for the first space ship that is going to try to fly to the moon and circle it three times and come back. When you see the specifications and when you know that every detail has been taken care of and you look at the fellow and say, "Will that happen in my lifetime?" he replies, "Yes, we expect that to fly within the next seven years." And you look again and say, "If it will fly in seven years, have you got everything here you need in the way of materials?" The answer is, "We only lack one thing. We have got enough punch to give this thing the speed of only 5,100 miles per hour. What we really need is a

speed of 7,600 miles per hour to get outside of the gravitational pull of the earth." These are big thoughts. And then you go to the home of some of those young scientists and sit down in their apartment and as you look around you see some books on anthropology, biology, zoology, and you look at these books and decide that they do not tie into nuclear physics. You ask, "Who is reading these books?" They reply, "We are." "But I thought you fellows were all pure scientists!"

"In a way, that may come later. If we ever step off to another planet, we will want to know what is going on there before we land." "You can see clearly what is going on in Mars." "Mars is dead so that is out. What we are going to shoot for is Venus. She is all shrouded in steam clouds. We cannot pierce those clouds with our telescopes. We do not know but we have measured the heat. We think that Venus is about where this earth was about 300 million years ago and that means dinosaurs and big reptilian life." We want to know something about their behavior as much as we can and you look at those incredible youngsters and say, "Do you honestly think you will ever make such a flight?" They all answer, "Yes we do." "But you will not live long enough to come back." "And who cares? Just give us the chance to climb aboard when they say, 'We are off.'"

The thoughts of youth are long, long thoughts. Then get that group of doctors that are working on this longevity program and see the evidence they are working on. They are shooting for a virile life of 105 to 110 years and you shake your head and say, "Now, what is the matter with you? Are you one of these fellows that believe in threescore years and ten?" The answer is, "Well, something like that." And you say, "Tell me, how do you explain Methuselah?" "Every warm-blooded animal in the world has a life expectancy of five times the period necessary from birth to maturity. It takes man 22 years to mature. Multiply that by five. We are not shooting the moon. That should be our goal." And then you look at some of the human guinea pigs and you see what they are doing to them. The emphasis, after 45 years of age, goes to heavy proteins and away from carbohydrates and starches. With the vitamins that are prescribed under medical skill you can see the youth coming back in pink bloom and you reach in your pocket and say, "How much does that thing cost? I want some." In all probability there will be no hope for you but there will be for your children and your children's children and that will be different. That is yet to come.

This is not the end. This is the beginning of the greatest era that man could hope for. All of the prayers and the hopes and tears of generations and centuries past have been highlighted to give you this doorstep introduction to the greatest possibility of tomorrow. Do you think all of this that I have pointed out to you has happened by accident? Do you think that it is fate? Or will you agree with some of the great minds of this world that there is a God who rules the destiny of men and nations? Then if you can see it that way we are vitally prepared for this next big phase. No matter how black and dark the picture may be at midnight of any trial for you. You cannot look at this evidence and refuse to go out on a dark night and slip your hand into the hand of God and say, "Lead on. Wherever you take me I know it is for the best."

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## Hospital and Professional Group Transcript

The proceedings of the Hospital and Professional Group Sessions held at the International Consumer Credit Conference at New Orleans, La., June 22-25, 1953, were tape recorded. Transcripts of the recording of the addresses made to the group and the open forum discussions that followed are available at the nominal price of \$2.00 per copy.

Among the addresses delivered during the three afternoon sessions and included in the transcript were: "Professional Collection Errors" by Mrs. Jessie Irvin, Holt-Krock Clinic, Fort Smith, Arkansas. Also, the Discussion Forum following, of which the Moderator was Mrs. Lois McIver, The Gaston Hospital, Dallas, Texas. Other addresses were: "Report on Associated Credit Bureaus of America Medical Survey," Carl H. Roewe, Associated Credit Bureaus of America, St. Louis, Mo.; "Credit and Collections," R. L. Ingram, University Hospital, University of North Carolina, Chapel Hill, N. C.; and "Timely Tips on Collection Technique," Howard G. Chilton, Credit Bureau of Greater Fort Worth, Fort Worth, Texas.

Every credit grantor employed in hospitals, clinics, medical and dental offices should possess a copy of this transcript. The material contained is an important contribution to better understanding of the special problems and their solutions involved in handling professional credit and collection matters.

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## Credit Personnel Changes in New York

Harry J. Monahan, formerly Credit Manager, Hearn's Department Store, New York, N. Y., was recently appointed Assistant Credit Manager, Abraham & Straus, Brooklyn, to succeed Carl Jarmel, who resigned recently. Kenneth Dixon, formerly of Abercrombie and Fitch, has joined the staff of Bergdorf Goodman Co., in the capacity of Assistant Credit Manager, working with Joseph Rothenberg, Treasurer and Credit Manager.

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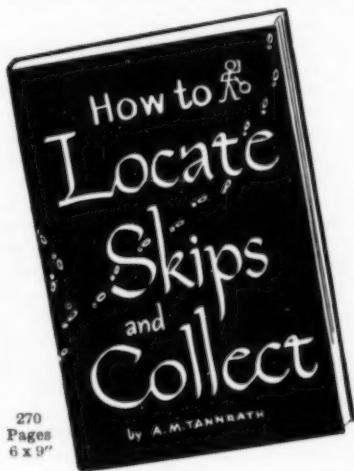
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# Don't Let Collection Percentages Fool You

WALLIS G. HOCKER, Manager of Credit Sales, Chas. A. Stevens & Co., Chicago, Illinois

HOW WERE your collections last month? Did you say good because they were three per cent ahead of last year or is your chin dragging because the front office is on your neck as you had four per cent less than last year and it is catastrophic? Let us get on the ball and pull that percentage up (and you say to yourself, "I'll dun them quicker and harder—to heck with public relations. My job is at stake"). And what happens at the end of the year? Were losses greater or less? Only the end of the year will tell unless, of course, you properly evaluate the meaning of "collection percentage" and age your accounts regularly.

First, let us take collection percentage. What does it mean? You apply the current month's receipts to the current month's opening balance of your receivables and arrive at a percentage. This tells you what percentage of the total dollars outstanding at the month's beginning have been paid in. It does not tell you whether they were paid in on accounts that are current or that are 2—3—4—5 or more months past due. For example, let us take a hypothetical situation. Your total accounts receivable consist of two accounts. The activity on these accounts is shown below.

	ACCOUNT "A" Pur. Payts. Bal.	ACCOUNT "B" Pur. Payts. Bal.	Total Rec'ble Balance	Cash	Coll. %
Sept.	\$50.00	\$50.00	\$50.00	\$100.00	
Oct.	50.00	50.00	50.00	100.00	\$50.00
Nov.	50.00	50.00	50.00	100.00	50.00
Dec.	50.00	50.00	50.00	100.00	50.00
Jan.	50.00	50.00	50.00	100.00	50.00

If the collection percentage is the gauge of whether collections are good or bad then the above situation might be termed good. Yet look at the account "B". The plain fact is "once an account is 30 days past due it has affected your collection percentage as much as it ever will." It will not lower your percentage any further even if it reaches 36 months past due.

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If the collection percentage does not tell the story, what will? The answer is *age analysis*. It is the sure method of determining the condition of your accounts. It is the only method that is dependable to the extent that you can forecast your losses—or, better still, control them. And after all, is it the collection percentage that says whether you have done a good job, or is it the losses that you have at the year's end?

Let us take the results of an age analysis at two stores; we will call them store "A" and store "B."

	Current	3-4 Months	5-6 Months	Over 6 Months
Store "A"	87.25%	6.75%	2.25%	3.75%
Store "B"	81.75%	11.25%	5.75%	1.25%

In viewing the report of store "B" we find a very small percentage of balances in the Over 6 Months category. Store "A" has three times more in this category. Store "A" most certainly will have a greater loss. On the other hand, who has the higher collection percentage? In all probability, store "A" because a greater percentage of the dollars outstanding are in the current category. So here we have a perfect example of a store having a higher collection percentage than its competitor, yet one who ends the year with a bigger loss.

Maybe proponents of the collection percentage gauge would say all things average out, a good percentage would mean little loss. Let us examine two collection managers or two collection philosophies. Again we will call them "A" and "B."

Collection Manager "A" is an "eager beaver" until the going gets tough. He is right on the job in dunning the very day an account becomes 30 days past due. He does not, however, possess the "stick-to-it-iveness" to follow up. He is diligent for the first two or three months but "skips" are too much bother. Any sad tale of woe is to him heart rending. He just plain does not work the "stinkers."

Collection Manager "B" is easygoing in the first stages but let the account get 90 days past due and he is literally "camping on the doorstep." There is nothing that gives him more satisfaction of accomplishment than collecting a toughie. He never lets go. He accepts promises but follows up if they are not kept and he likes nothing better than skip-tracing. If you age the accounts of Collection Manager "A" and Collection Manager "B" you will find this same situation as exists in the age analysis of store "A" and store "B."

By now we have probably given the impression that anything looking like a collection percentage should be ignored. This is not true. Collection percentages indicate trends and, of course, serve as danger signals. We should not, however, rest in complacency if they are good, or get excited if they appear bad. Age analyses are the condition reports of Accounts Receivable. Make them as frequently as practical and devise an aging report to be retained historically. You will then be able to tell where you are headed.

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# Hotel Reservations for the San Francisco Conference

FRANK T. CALDWELL, General Manager, Retailers Credit Association of San Francisco

We, in San Francisco, were happy when we learned that our invitation was accepted to be hosts for the 1954 International Consumer Credit Conference. We wanted the Convention and our credit men and women have unanimously agreed that we will begin early and work late for the convenience and pleasure of every delegate. First, our chief consideration is the comfort and well-being of everyone once they arrive. We know San Francisco can entertain you and that the business programs will be constructive and that our July weather will be cool, rainless and bracing. But all these will be of little value if our visitors are not pleasantly housed in the hotels of their choice and if their hotel reservations are not made and confirmed before they arrive.

To get the room he asks for, to get settled promptly after he arrives, puts a convention delegate in an amiable frame of mind right from the beginning and, as hosts, we think that is the most important thing of all. Because of this, the Retailers Credit Association of San Francisco asked for the job of handling all hotel reservations and all registrations for the delegates and their husbands, wives, and children. The more the merrier! Our other committees, all of which have been appointed by our General Convention Chairman, David K. Blair of H. Liebes & Co., are already functioning. Our bureau job is exclusively to get you settled comfortably; then you are on your own.

The Fairmont Hotel atop Nob Hill is the Convention Headquarters where the banquet will be held, as well as many of the group meetings of credit executives. The Mark Hopkins Hotel is just across the street (about 70 steps if your legs are of normal length) and the Bureau Managers and Collection men will hold most of their business meetings there. For this reason, it is suggested (but by no means a requirement) that N.R.C.A. members and the C.W.B.C. girls stay at the Fairmont and that Bureau and Collection delegates go to the Mark Hopkins. No attempt is being made arbitrarily to divide our visitors; it is simply a matter of preference and convenience.

We know there will not be room in these two hotels to take care of everybody who wants to get in, so we strongly urge all members of the National Retail Credit Association, the Credit Women's Breakfast Clubs of North America and the Associated Credit Bureaus of America to send their hotel reservations to us, early. The Retailers Credit Association, 15 Stockton Street, San Francisco, California, has complete charge of the housing of delegates. The hotels, if they receive requests, will turn them over to us anyway, so we would prefer that you write to us first for our records. We have already received such a surprising number of reservations that we are encouraged to think that our Convention, July 18-22, 1954, is going to surpass all attendance records. Enough rooms have been allocated by a half dozen San Francisco hotels to take care of all reservations but, naturally, those set aside for us at the Fairmont and Mark Hopkins Hotels are limited even though they have been generous to us.

A third hotel on Nob Hill, the Huntington, is also available to us and is less than a half block distant. At the foot of the Hill and 4 minutes ride on the cable cars are several other excellent hotels such as the Sir Francis Drake, St. Francis, the Chancellor and the Plaza whose rates in most cases are less than those of the two main Convention hotels.

All of them have been cooperative in allocating space to us. Therefore, there is a choice and variety to suit every purse. When reservations are requested, we will appreciate knowing where you want to stay, the type of room you will need and approximately the rate you wish to pay. We also need to know the day you expect to arrive, even though it is distant. Some delegates will arrive on Saturday, Sunday, or Monday in advance of the official opening on Tuesday, July 20, so the hotels must know the actual date to begin holding the accommodations. Hotel rates are as follows (all rates are per day):

## FAIRMONT HOTEL:

Single Rooms, \$10.00 to \$15.50.

Room for 2 persons (double or twin-bedded), \$13.00 to \$18.50.

Suites with Bedroom for 2 persons and parlor, \$27.00 to \$36.00.

(Turn to "Hotel Reservations," page 23.)

## JUST IN TIME FOR CHRISTMAS!

You want to open New Charge Accounts and reactivate dormant accounts in time for the Christmas Shopping Season.

Right now, while you are thinking about it, ask us for samples and information on how leading stores use Reply-O-Letter to do both these jobs **SUCCESSFULLY**

## USE REPLY-O-LETTERS!



# *Report of the Legislative Committee*

Clarence E. Wolfinger

BECAUSE OF the change in the make-up of Congress, your Legislative Committee has not held any meetings, but rather sat on the sidelines to see what trends might develop in the way of legislation affecting our members or in which we were interested. Nothing has definitely developed up to the time of this report.

There has been considerable discussion about the re-imposition of Regulation W. Your Committee polled the Board of Directors who, with the exception of one member, voted against the re-imposition of consumer credit controls. Your Committee has also kept a watchful eye on the possibility of such legislation being brought up and prepared to take appropriate action in keeping with the wishes of the Board.

On April 22 the National Office mailed 178 letters to credit executives urging them to write members of the Senate and House Banking and Currency Committees in states in which they resided, opposing Bill S 1081, Title VI, Section 601, as follows:

"To assist in carrying out the objectives of this Act, the Board of Governors of the Federal Reserve System is authorized, notwithstanding the provisions of Public Law 386, Eightieth Congress (61 Stat. 921), to exercise consumer credit controls in accordance with and to carry out the provisions of Executive Order Numbered 8843 (August 9, 1941)."

Many members wrote or telephoned committee members. An amendment has been approved which will put the consumer credit authority in the hands of the President, along with power to regulate prices and wages, only in the event of a grave national emergency.

The interest in legislation which was formerly sponsored by our Association to permit the garnishment of salaries of Federal employees in those states where state laws permit the garnishment of state, municipal or county employees has been revived. A bill, H.R. 3602, patterned after the Kefauver Bill sponsored by this Association, was introduced by Representative Curtis of Missouri, with whom we are cooperating.

Your Committee also will keep in mind its previous resolution to request the Post Office Department to include the address of the sender on postal money orders.

The hearings on the request for a modification or clarification of the Consent Decree were held in St. Louis in November and have been postponed until later this year. Your Legislative Committee has been interested in this for quite some time. The report is more properly covered by General Manager-Treasurer Crowder.

It is proposed that the Legislative Committee meet in Washington in the fall, and not later than February of next year. Our interests in Washington are well handled by our representative, John F. Clagett, who keeps us in touch with any pending developments.

# *Report of Secretary and Research Director*

Arthur H. Hert

WITH THIS, my nineteenth annual report, I am happy to say that much of my time during the past year has been devoted to publishing The CREDIT WORLD as I have for the past 14 years.

Five issues of The CREDIT WORLD were dedicated to various cities during the past year, namely: Seattle, Wash.; Pittsburgh, Penna.; Spokane, Wash.; Kansas City, Mo.; and New Orleans, La. This policy will continue again in the year ending May 31, 1954. Cities scheduled are: Dallas, Texas; Victoria, B. C.; Portland, Ore.; Houston, Texas; Denver, Colo.; and San Francisco, Calif. Many of our members have stated that they are well pleased with this plan as it has created additional interest in the N.R.C.A. and has also resulted in giving some of our members an opportunity to submit articles for publication that were a definite contribution to the field of retail credit.

Members are urged to submit articles for publication in The CREDIT WORLD. The success of the publication depends greatly upon the cooperation of our members. We welcome articles at any time although it may not be possible to publish them in the same month received.

The "Smaller Business" department of The CREDIT WORLD continues to be popular. Members are invited to submit problems for investigation and publication. The "Top Management Says" department is a new feature added recently wherein store presidents and top executive officials are invited to write brief articles for

publication. The purpose of this department is to encourage young people to enter credit work and in addition provide an idea as to what top management expects of the credit department. We hope it will be possible to continue this department as it should prove one of the most popular features of The CREDIT WORLD.

We are still encountering some difficulty in securing the necessary cooperation from our members for the "Collection Scoreboard" now known as "Comparative Collection Percentages." To make it worth while we need more cities to report their figures. In many instances they are received after the 20th of the month which is our deadline for publication. More lines of business should be included and the feature should be expanded into a double spread as published several years ago. Unless we can make a more representative showing by cities and lines of business, and collection percentages can be in our hands by the 20th of each month, we should seriously consider discontinuing the department.

In addition to my other duties, I have handled the details of layout and supervision through the press of the *Physicians and Dentists Credit and Collection Manual* just off the press.

I wish to take this opportunity to thank members for their continued interest and cooperation at all times. My thanks, also, to the officers, directors, and the National Office staff for their assistance.

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# *Report of Educational Director*

## **Leonard Berry**

IT IS WITH pleasure that I submit my third annual report.

The *Physicians and Dentists Credit and Collection Manual* has been completed. This is a 64-page book measuring 5 1/4 by 7 1/2 inches, printed on offset paper, with a color film cover and plastic comb binding. It contains seven chapters. Detailed collection procedures are set forth. Several collection and other letter illustrations are included. The Manual is designed to give specific help and guidance to the credit person in the medical or dental field. It is our hope that the Manual will result in better credit and collection procedures in this area of consumer credit. The uniformly favorable reception accorded the advance proofs encourages this hope. Grateful acknowledgment is expressed to those of our professional members and credit bureau managers whom we consulted, for their advice and assistance in bringing this work to completion.

Plans are completed for our first Retail Credit Management Institute to be held at the University of Oklahoma, Norman, Oklahoma, the week of July 20th. Considerable direct mail promotional material has been distributed by the University. The Institute has been prominently featured in recent issues of *The CREDIT WORLD*. Every possible cooperation has been given by the University of Oklahoma officials, notably by Dean Horace B. Brown and his capable staff. We are confident that the desired minimum registration of twenty-five will be attained. As this is a pioneer effort we are most anxious that it be successful.

Several months ago a panel of representative credit manager's was named to serve on the "Credit Clinic—for the Smaller Businessman." Questions submitted by members were put to the panel and their replies published. Considerable interest has been manifested in this new *CREDIT WORLD* feature. We hope to continue it indefinitely.

The splendid cooperation of our members in sending us samples of their credit department letters and forms

has resulted in an increased variety of such being reproduced on the Credit Department Letters Page of *The CREDIT WORLD*. We hope that other members will submit their letters and forms to us. Our Letters Scrapbooks have been revised and brought up-to-date.

The success of the Sterling S. Speake Credit Schools is highly gratifying. It has been my pleasure to work closely with Mr. Speake in publicizing and arranging such schools. N.R.C.A. Certificates of Proficiency have been awarded to several hundred successful students. The National Office has received many highly complimentary letters and reports concerning Mr. Speake's presentations. This is a most valuable feature of our educational activities. We hope it will continue for a long time.

The Better Letters Service continues to earn the steady loyalty of its present subscribers but our efforts to increase its distribution have not met with success. We are still trying to find ways of increasing the circulation of this worth-while service.

I had the privilege of attending, and addressing, the meetings of N.R.C.A. District 6 at Sioux City, Iowa, and District 7 at Joplin, Missouri. Also I attended, and addressed, the state meetings of Arkansas, Missouri, and Wisconsin. Several credit bureau and local retail credit association annual meetings, and credit schools were addressed by invitation and with expenses paid by the sponsors. I had the pleasure of appearing before the Fourth Annual Credit Clinic conducted by the University of Georgia, at Atlanta, in January.

I want to express my grateful appreciation for the privilege of working with L. S. Crowder and Arthur H. Hert, and the National office staff. Their generous cooperation and consideration add greatly to the many satisfactions of my work. Thanks are also expressed to the officers and directors of the Association, to the members of our Educational and other committees, and to all our members for their ready assistance and for their confidence.

### **Text and Reference Books Published by the N. R. C. A.**

Retail Credit Fundamentals, 390 pages . . . . .	\$5.00
Retail Credit Management, 477 pages . . . . .	5.00
Streamlined Letters, 464 pages . . . . .	5.00
Important Steps in Retail Credit Operation, 76 pages . . . . .	1.50
How to Write Good Credit Letters, 128 pages . . . . .	2.25
Physicians and Dentists Credit and Collection Manual, 64 pages . . . . .	2.00
Successful Credit Department Letters, 32 pages . . . . .	1.50

\* \* \* \* \*

**NATIONAL RETAIL CREDIT ASSOCIATION**

375 JACKSON AVENUE

ST. LOUIS 5, MISSOURI

# Report on N.R.C.A. Retail Credit Management Institute

HORACE B. BROWN, *Dean, College of Business Administration, University of Oklahoma*

"What I learned during the first day of the Institute was worth the investment in time and money required. The other four days were a bonus." This is the way the recent Retail Credit Management Institute was summarized by Myrtle M. Plymate, Manager of Credit Sales, Fantle Brothers, Inc., Sioux Falls, South Dakota.

Another typical student of the Institute was Glynn W. Webster, Manager of Long Bell Lumber Company, Norman, Oklahoma, who evaluated the course as follows: "The past week of my attendance at the Retail Credit Management Institute was the best short course I have had the privilege of participating in. I feel that those who depend on much credit business today missed a world of good if they did not attend."

It was indeed a busy week at the University of Oklahoma for 52 eager students of credit management. It began July 19, 1953, on a Sunday afternoon, when business men and women from eleven states gathered in the University Dormitories to receive room assignments and otherwise complete their registration for the Institute. They came from Arkansas, Colorado, Illinois, Iowa, Kansas, Mississippi, Missouri, Oklahoma, South Dakota, Texas, and Utah.

Among the first arrivals were Leonard Berry, Educational Director, National Retail Credit Association, and August J. Kruse, General Manager, The Credit Bureau of St. Louis. Both were members of the Institute faculty and were instrumental in much of the planning for the five-day course of instruction. They immediately went into conference with Roy Teter and other members of the Planning Committee to coordinate final details for the panel discussions and forums to be conducted by Mr. Teter at the Institute's two night sessions.

There was a gentle rain falling that afternoon, but it did not dampen the enthusiasm of the group who gathered in the foyer and lounge of the Dormitory to meet old friends and make new ones. The first day's rain, in fact, proved to be a pleasant afterclap for those who had forebodings of a summer drought in the Southwest.

On hand to greet the students was John F. Malone, Assistant to the Dean, Extension Division, University of Oklahoma, Norman, Oklahoma, who was in charge of all arrangements concerning housing and student welfare. Throughout the entire week Mr. Malone was available for helpful service to the students. His contribution to the success of the Institute was a substantial one.

By Monday morning the rains had cleared, registrations were completed, and the first Retail Credit Management Institute was christened at 8:00 A.M. with a joint welcome by Leonard Berry, representing N.R.C.A., and Horace B. Brown, representing the University.

They were followed in succession during the day by the other members of the Institute faculty: Kenneth Baker Horning, Associate Professor of Business Communication; Stewart Harral, Director of Public Relations Studies; William C. McGrew, Assistant Professor of Accounting; William R. Bandy, Associate Professor of Law; and August J. Kruse, Special Lecturer in Retail Credit Fundamentals. Each of the faculty members, including Berry, delivered five lectures during the week on the subjects of Business Communications, Public Relations, Accounting, Business Law, Credit Bureau Service, and Retail Credit Fundamentals.

Members of the faculty and student body alike were alert, enthusiastic and eager to share their experiences in the first meeting of this kind ever held. Special credit, however, is due the business owners, managers, and employees who were represented at the Institute. They are the real pioneers who foresaw the value of such training and through whose interest and participation a new and important educational step has been taken toward a better understanding and greater professional recognition in the field of retail credit management.

As an observer in these Institute classes, one was deeply impressed by the professional attitude with which these people approached their problems—problems of such scope and complexity as to tax the abilities and ingenuity of a top-level executive. All came to the Institute to increase



their general knowledge of credit management through the experience and guidance of a select faculty. Each day of the week from eight o'clock in the morning until three-thirty in the afternoon, they listened attentively to the studious remarks of the lecturers. And although these sessions were interspersed with comments and questions from the group, the students had their greatest opportunity to air specific problems during the open forums conducted on Tuesday and Thursday nights by Mr. Teter and his panel of excellent discussants from Oklahoma City stores and business firms.

Although the class schedule was full, and many of the students consumed much of their free time in using the University's library facilities to supplement their class-work, all found some time for conviviality and recreation at the swimming pool, golf course, tennis courts, museums, and other spots of interest on the campus.

The Institute closed on Friday afternoon with a final examination which covered the material presented during the week. All classwork was conducted in the air-conditioned conference rooms of the University's Student Union Building. As an added feature, the students were served coffee during the examinations, which were held in one of the large private dining rooms of the building. A memento of the occasion, a group picture of the class, was distributed to the students by mail.

Those who successfully completed the course will be awarded a certificate as authorized by the National Retail Credit Association, the University of Oklahoma and the Oklahoma State Department of Vocational Education, who sponsored the Institute.

Special mention should be made of the outstanding work done by members of the Planning Committee which included the following: J. J. Boxberger, Secretary-Manager, Oklahoma City Retailers Association, Oklahoma City, Oklahoma; John B. Freeman, Extension Division, University of Oklahoma, Norman, Oklahoma; R. Leo Frye, John A. Brown Company, Oklahoma City, Oklahoma; Aaron Gritzmaker, Manager, Oklahoma Retail Merchants Association, Oklahoma City, Oklahoma; Roy E. Teter, Jenkins Music Company, Oklahoma City, Oklahoma, and Opal Woody, Harry Katz Company, Oklahoma City, Oklahoma.

#### **First Effort Was Well Rewarded**

The sponsors, faculty and students who participated in the Institute were all agreed that their first effort was well rewarded. However, the meeting itself supplied much useful data which will insure even better Institutes for future years. Already the 1953 Institute is being carefully evaluated and plans are being formulated for an equally successful venture in 1954.

The picture on the opposite page was taken in front of the beautiful Student Union Building on the University Campus where the lecture sessions were held. Noted in the front row from left to right, are: August J. Kruse, Manager, Credit Bureau of St. Louis, St. Louis, Missouri; Leonard Berry, Educational Director, National Retail Credit Association, St. Louis, Missouri; and William R. Bandy, Associate Professor of Law, University of Oklahoma, Norman, Oklahoma. On the far right of the front row will be seen Sterling S. Speake, Retail Credit Specialist of the N.R.C.A. ★★

## **Coming District Meetings**

**District Two** (New York and New Jersey) and **District Twelve** (Delaware, District of Columbia, Maryland, Pennsylvania, Virginia and West Virginia) will hold a joint annual meeting at the Claridge Hotel, Atlantic City, New Jersey, March 7, 8, and 9, 1954.

**District Six** (Iowa, Minnesota, Nebraska, North Dakota, South Dakota, Superior, Wisconsin and Manitoba, Canada) will hold its annual meeting at the St. Paul Hotel, St. Paul, Minnesota, May 9, 10, and 11, 1954.

**District Seven** (Arkansas, Kansas, Missouri and Oklahoma) will hold its annual meeting at the Goldman Hotel, Fort Smith, Arkansas, March 14, 15, and 16, 1954.

**District Eight** (Texas) will hold its annual meeting in Dallas, Texas, May 24, 25, and 26, 1954.

**District Nine** (Colorado, New Mexico, Utah and Wyoming) will hold its annual meeting at the Cosmopolitan Hotel, Denver, Colorado, May 2, 3, and 4, 1954.

**District Ten** (Alaska, Idaho, Montana, Oregon, Washington, Alberta, British Columbia and Saskatchewan, Canada) and **District Eleven** (Arizona, California, Nevada and Hawaii) will hold a joint annual meeting in conjunction with the 40th Annual International Consumer Credit Conference of the National Retail Credit Association, The Fairmont Hotel and The Mark Hopkins Hotel, San Francisco, California, July 19, 20, 21, and 22, 1954.

## **Controllers -- Credit Managers --**



**KELLOGG**  
*Credit Telephone*  
SYSTEMS

**NOW--A DUAL PURPOSE SYSTEM**

KELLOGG Credit Authorizing, combined with complete store intercommunication, NOW! earns MORE DOLLARS for you by speeding up charge sales, stimulating better customer relations. With KELLOGG Credit Authorizing your credit clerks can instantly authorize directly from your cycle billing files . . . no need for separate files . . . enhances floor auditing. Positive authorization is accomplished with KELLOGG Special Perforator. WRITE FOR FULL INFORMATION NOW!

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# ACBofA International Achievement Awards To Credit Bureaus and Collection Services



FOR the seventh consecutive year, the Associated Credit Bureaus of America have presented International Achievement Awards for outstanding service among their members.

As in the past, these awards were given at the annual conference (this year, New Orleans) held jointly with the National Retail Credit Association and Credit Women's Breakfast Clubs of North America.

Ten ACBofA-member offices and their managers received plaques which read: "For unselfish service and meritorious contribution to the (credit bureau or collection service) profession in our program to better serve the credit granters of North America."

The award program was established to recognize above average service and management of member credit bureaus and collection offices. Increased success in each local office—brought about by the stimulus of the award program—means better inter-bureau reports, better forwarding service between collection offices, and better service for credit granters.

Winners must be nominated by their district organizations, in one of five population brackets. Names of

district nominees go to the Associated Credit Bureaus of America executive offices. Final selection is made by the Credit Bureau Division and Collection Service Division committees. Selection is based on point ratings, without knowing the identity of any of the candidates.

## Collection Service Winners

**15,000-and-under population group**  
**Salinas Valley Credit Bureau, Salinas, Calif.**  
**J. M. Dungan, manager**

J. M. Dungan is president of the Associated Credit Bureaus of the Pacific Southwest and the Associated Credit Bureaus of California. He has been active in the past year in promoting the new seminar program for the Associated Credit Bureaus of America.

Mr. Dungan is a member of Salinas' Rotary club, the Chamber of Commerce, and was chairman of the local Office of Price Stabilization board.

**15,000—25,000 population group**  
**Retail Merchants Association Adjustment Department, McAlester, Okla.**  
**Leon Willis, manager**

A member of ACBofA's Collection Service Division committee, Leon Willis is also past CSD chairman of the Associated Credit Bureaus of the Midwest. He, too, has had an important part in the new seminar program for ACBofA this year.

Mr. Willis is a past president of McAlester's Lions club and has served as treasurer of the local school board for the past 10 years.

**25,000—100,000 population group**  
**Iowa Adjustment and Credit Bureau, Cedar Rapids**  
**William L. Fluegel, manager**

William L. Fluegel is the son of the late Fred Fluegel, who was once chairman of the ACBofA Collection Service Division committee and well known to people in credit all over the country.

Bill Fluegel is active in the Young Men's Bureau of the Chamber of Commerce and has participated in recent civic drives sponsored by the Chamber. He is secretary of the Retail Credit Association of Cedar Rapids and

## For outstanding collection service . . .

---



J. M. Dungan  
Salinas, Calif.



Leon Willis  
McAlester, Okla.



William Fluegel  
Cedar Rapids, Ia.



Joe Whitten  
Oklahoma City, Okla.



Thomas Downie  
Vancouver, B. C.



Carl Forsythe  
Beaver, Pa.



Bruce K. Ward  
Casper, Wyo.



Ernest Yarbrough  
Winston-Salem, N. C.



William Arendt  
Little Rock, Ark.



Donald Puffer  
Denver, Colo.

## For outstanding credit bureau service . . .

a member of the Collection Service Division committee for ACBofA.

### **100,000—250,000 population group** **Adjustment Department, Oklahoma City** **Joe W. Whitten, manager**

Joe W. Whitten is chairman of the Collection Service Division of the Associated Credit Bureaus of the Midwest. In March of this year he was given a trophy by his district association, as the outstanding collection service manager for his population bracket.

Mr. Whitten is an officer in the Oklahoma City Lions club, a director of the City Civic committee, and national president of Alpha Tau Omega fraternity.

### **250,000-and-over population group** **Credit Bureau of Vancouver, British Columbia** **Thomas Downie, manager**

Thomas Downie's Credit Bureau of Vancouver is the first Canadian ACBofA member to receive an international achievement award.

Mr. Downie is honorary secretary-treasurer of the Credit Granters Association of Canada, a director of the Associated Credit Bureaus of Canada, and a member of Vancouver's Rotary club.

## Credit Bureau Winners

### **15,000-and-under population group** **Credit Bureau of Beaver County, Beaver, Pa.** **Carl O. Forsythe, manager**

Carl Forsythe, though relatively new to the credit bureau management field, has already established his bureau as one of the outstanding offices in the country.

Mr. Forsythe is secretary of the Associated Credit Bureaus of Pennsylvania and a member of their board of directors. He is also a member of the Beaver Board of Trade and the American Legion.

### **15,000—25,000 population group** **Credit Bureau of Casper, Wyo.** **Bruce K. Ward, manager**

This makes the second award for Bruce Ward's bureau, as it received the international achievement award for collection service in 1950.

Mr. Ward is a member of ACBofA's Collection Service Division committee. He is also president of Casper's Rotary club and active in the Boy Scouts. In 1951 the

Junior Chamber of Commerce in Casper named him outstanding young man of the year.

### **25,000—100,000 population group** **Credit Bureau of Winston-Salem, N. C.** **J. Ernest Yarbrough, manager**

J. Ernest Yarbrough is a former president of the Associated Credit Bureaus of North Carolina and the Associated Credit Bureaus of the Southeast. He is at present one of ACBofA's directors and has served on the Credit Bureau Division committee.

Mr. Yarbrough has been president of Winston-Salem's Lions club, is a member of the Citizens Civic Planning board, and a director of the Red Shield Boys' club.

### **100,000—250,000 population group** **Credit Bureau of Little Rock, Ark.** **William R. Arendt, manager**

A former president of the Associated Credit Bureaus of Arkansas and Associated Credit Bureaus of the Midwest, William Arendt has served as a director for ACBofA and as member of the Credit Bureau Division committee.

Mr. Arendt is a past president of Little Rock's Community Chest board, of the Boys' club, and active in the Chamber of Commerce.

### **250,000-and-over population group** **Credit Bureau of Greater Denver, Colo.** **Donald H. Puffer, manager**

Donald Puffer is secretary of the Associated Credit Bureaus of the Rocky Mountain states and a member of ACBofA's board of directors. Next year he will serve as dean of the Credit Bureaus and Collection Service Management Institute at the University of Kansas.

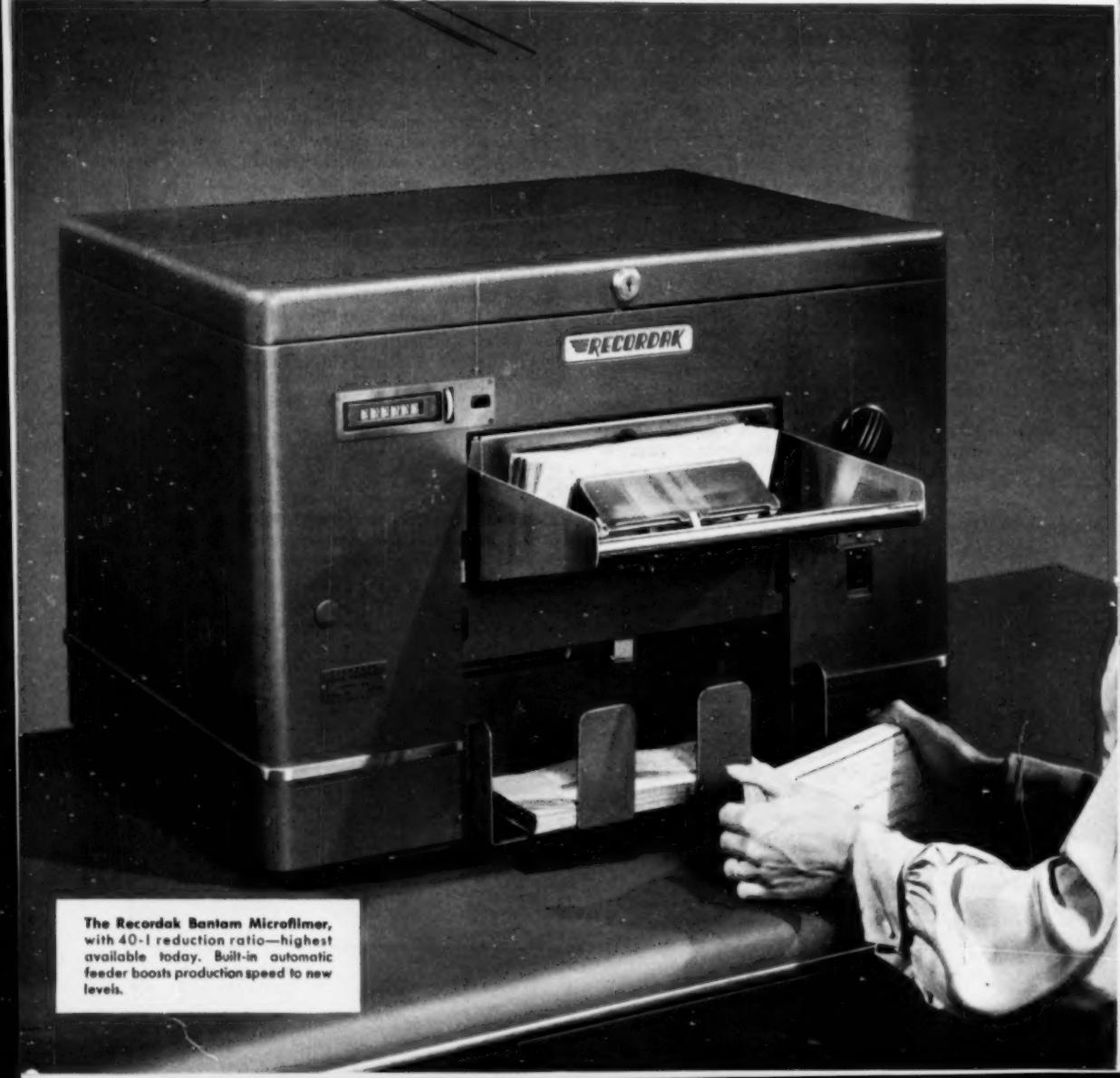
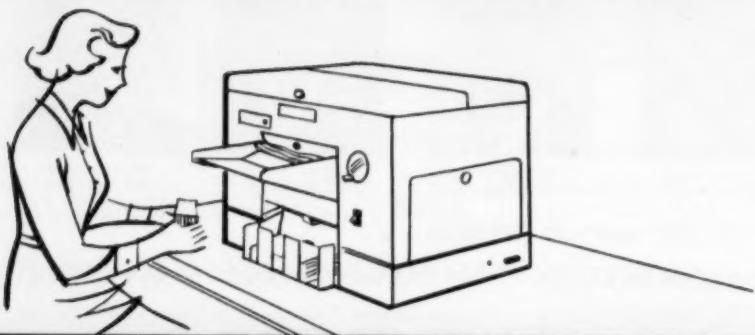
Mr. Puffer is a member of Denver Boys, Inc., and has been active in the local Community Chest program.

## Thanks to Local Credit Granters

*Without the cooperation of local credit granters, the ten offices listed here might have been merely "average."*

*The Associated Credit Bureaus of America offers grateful appreciation to you local credit granters who are doing so much to help our members grow in service.*

# Recordak Microfilming



The Recordak Bantam Microfilmer, with 40:1 reduction ratio—highest available today. Built-in automatic feeder boosts production speed to new levels.

# costs you less

**because you can choose the machine  
that matches your requirements**

It's been proved in hundreds of stores . . . and it's easy to see why your own microfilming costs will be lower day after day when your microfilmer matches your requirements.

If your requirements are small, for example, it would be unwise to install high-volume equipment . . . to pay a higher price for features or refinements which could not be used *profitably* in your store. Likewise, it would be unwise for the large-volume store to discount time-saving features . . . to think only of low initial cost.

Recordak—in recognizing the fact that requirements vary so widely—has designed its line of microfilmers with all stores, all budgets in mind. Whatever features you need—Recordak has; whatever features you don't need, you needn't buy.

Thus, Recordak has made it possible for even

the smallest users to gain savings proportionate to those realized by the largest ones.

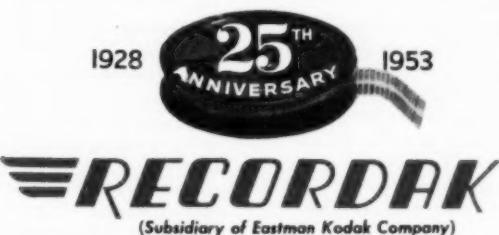
#### **Recordak offers these extra values, too**

**RECORDAK** specializes in microfilming only . . . has been analyzing the needs of business for 25 years. A nationwide staff of specialists is always at your call.

**RECORDAK** film, lenses, and microfilmers are made by Kodak . . . assurance of top quality and performance.

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# CREDIT DEPARTMENT Letters

## LEONARD BERRY

JUDGING from the letters we have received on the subject, and also in talking with retail credit executives when in the field, there is considerable interest in the growing practice of using printed or engraved notices and forms in many areas, other than collection routine, of credit department correspondence.

Doubtless our still severe personnel problems and the acute necessity of devising time and money saving shortcuts in office procedure are responsible for this interest. It is in response to numerous requests that this month we concentrate specifically on illustrations of printed new credit application notifications.

Of all the opportunities that occur in credit office routine for building customer good will surely the occasion of new account acceptance offers the greatest possibilities. Here is the beginning of what we hope will be a mutually satisfactory and beneficial business relationship. The happy event should be signalized with cordiality and dignity. Few will dispute the assertion that a well-designed, well-worded printed or engraved notification has many advantages over the usual form letter with its all too frequent ill-matched name and address fill-in and quite often, rubber stamp signature.

Thus, from a public relations viewpoint it would seem that such printed notices are actually more acceptable to the customer than form letters. And most certainly the relative simplicity of handling such notices in the credit office means a great deal to harassed credit executives.

It would be interesting to know the relative costs of form letters vs. printed notices. From our observation and from the opinions of executives queried on the point, the printed notice turns out to be less expensive than the average form letter.

Perhaps now, as the new season begins and preparations for the expected and hoped-for flood of new account applications are being made, would be a good time for credit managers to look into the desirability of making changes in the new account acceptance procedure. Our illustrations this month will doubtless give many helpful pointers both as to format and wording of such notices.

### This Month's Illustrations ➔

**Illustration No. 1.** An excellent example of credit sales promotion using a printed folder. This invitation to accept credit facilities at Rothschild's, Kansas City, Missouri, tells the prospective credit customer that all preliminaries have been accomplished and that the account is immediately available at all six stores operated by Rothschild's in the shopping area. The exact location of the stores is given. This information is important where a store has branches. We are apt to forget that the customer may not know as much about us as we think she does.

**Illustration No. 2.** Another printed folder used by Rothschild's. This time being a notification of credit application acceptance. On the outside of this folder, as on the preceding illustration, appears only the name of the firm, *Rothschild's*. Both these folders possess a high degree of dignity and impressiveness.

**Illustration No. 3.** Here is an attractive credit sales promotion mailing piece used by The Hub, Wichita Falls, Texas. The Hub's Manager of Credit Sales, Mrs. Virginia Hearn, was a student at the National Retail Credit Association Retail Credit Management Institute at the University of Oklahoma in July. This invitation to use the account opened at The Hub came in a hand-addressed, hand-stamped envelope. The wording is warm and cordial and the whole effect most pleasing.

**Illustration No. 4.** On the outside cover of this printed folder used by MacDougall's, Seattle, Washington, appears this: *MacDougall's . . . takes pleasure in welcoming as a charge account customer . . .* and space is provided for the name of the new customer to be filled in, probably by pen and ink. The facsimile signature of the President of the firm adds to its distinctiveness.

**Illustration No. 5.** Another example of printed notification of acceptance of credit application. On the outside of this folder appears the store's characteristic signature, *Kennard's of Delaware*. As this store is a member of the city's Charga-Plate Group, instructions as to the notching of the Plate are included in the notification. Also, note the invitation to members of the new customer's family to take advantage of the convenience of the account. The fact that the account is open and ready for immediate use is stressed by repetition.

**Illustration No. 6.** This is the notification to a customer that Godchaux's, New Orleans, Louisiana, has established a "3 Pay Plan Account" for that person. On the front cover of the folder Godchaux's "Welcomes you to its list of regular patrons . . ." Because the "3 Pay Plan" is relatively new it is necessary to explain it. This is done in clear, concise manner.

**Illustration No. 7.** A single card acceptance notification used by Buck's, Wichita, Kansas. This too, is sent in a hand-addressed envelope and is hand-stamped thus adding a personal touch to a formal communication.

The splendid cooperation of our members in sending examples of their credit department letters and forms is a matter of gratification to us. Again we urge others to send in their letters and forms for inclusion in our Letters Scrapbooks and for possible subsequent reproduction on this page.

1

Broadway Store  
10th & Main

Broadway Store  
6th and Broadway

Plaza Store  
211 West 47th St.

Kansas City Store  
7212 Main Street

Plaza Mart's Store  
400 West 47th St.

Village Green  
6011 Forest

DOWNTOWN STORE  
10th & Main

PLAZA CLASSIC STORE  
211 West 47th St.

PLAZA MART'S STORE  
400 West 47th St.

BROADWAY STORE  
10th & Main Street

KANSAS CITY, KANSAS  
7212 Main Street

VILLAGE GREEN  
6011 Forest

YOU ARE CORDIALLY INVITED TO USE  
③ A MONTHLY CHARGE ACCOUNT  
MADE AVAILABLE  
FOR YOUR SHOPPING CONVENIENCE  
AT

English  
and  
Indians

  
GODECHAUX'S

McDonald's  
Tours

We feel that your account at McDonald's will be a  
source of constant satisfaction to you. It is our endeavor  
at all times to carry the highest quality merchandise at  
the lowest possible prices.

Our accounts are payable within 30 days from the  
Billing date on your statement.

Rothschild's

invites you to accept

A Charge Account which has been opened for you.  
This account is available to you at all six  
conveniently located stores. It is our desire that we  
shall be able to serve you well and always to your  
complete satisfaction.

It is a pleasure to tell you that your Rothschild Charge  
Account is open and ready for immediate use. We will  
endeavor to give you the best of merchandise and the  
best of service at all times. Our overall broad, diversified  
merchandise offers great convenience for both domestic  
and suburban shopping. It is our hope that we shall deserve  
your support for many years to come.

KENNARD'S is a member of Charge Plan Group Inc., an  
organization formed for cooperative shopping convenience by  
ten leading stores in the City of Milwaukee.

If you already have a Group Charge Plan, please bring  
it into our Store on your next shopping trip so that we can  
add you to it.

If you do not have a Group Charge Plan, the Group  
Offices will mail you one Group Charge Plan in one week  
or less. In the meantime, your account is ready for your  
use.

WE TAKE pleasure in welcoming you as a charge  
account partner, and extend a cordial invitation to you  
and to members of your family to take advantage of  
the many shopping conveniences at

KENNARD'S  
617 Market Street  
Milwaukee 99, Wisconsin

Your account is open and ready for immediate use.

6

Normal Reporting

Approximate Monthly Billing Date

① ② ③ ④ ⑤ ⑥  
1st 10th 15th 20th 25th 30th

Your monthly payment is indicated on your statement in monthly installments  
from the closing date shown on that statement.

Your bill will be accompanied by all sales checks and credit slips. Like  
the statement, each receipt from your bank, this method  
gives you a complete record of your transactions.

All inquiries should be accompanied by the sales checks  
or credit slips.

Use your Charge Plan for quick  
convenient shopping.

  
Godechaux's

④

We would like to welcome you to our store  
and to assure the buying public of our customers and  
that we anticipate being of service to you in the future.

  
President

  
Buck's  
INC.  
CLOTHING & ACCESSORIES  
⑦  
Takes pleasure in informing you  
that a charge account  
is now opened in your name  
and is ready for your use

# CREDIT FLASHERS

## Philip Gleason in New Position

Philip Gleason, who has been Credit Manager of and associated with Abercrombie & Fitch Co., New York, N. Y., for a period of more than 20 years, assumed the position of Credit Manager, Saks-Fifth Avenue, New York. He succeeds George Neff who resigned to enter business. Mr. Gleason is a past president of the Associated Retail Credit Men of New York and the Credit Bureau of Greater New York, past president of District Two, N.R.C.A., Chairman of the Bureau Service and Audit Committee of the Associated Retail Credit Men of New York, and has served as a Director, Chairman and member of several important committees of the Association for many years. He is, at present, a director of the N.R.C.A. A. W. Greene has been appointed Credit Manager of Abercrombie & Fitch to succeed Mr. Gleason. He will be assisted by L. Blend, formerly of the staff of Saks-Fifth Avenue.

### Annual Conference on Distribution

The 25th annual Boston Conference on Distribution will be held at the Hotel Statler, Boston, Mass., October 19 and 20, 1953. The conference is privileged to present a group of distinguished authorities on distribution at this unique, internationally famous forum. The program has been carefully designed to serve business executives and others as a guide to what lies ahead in distribution which is so vitally an important segment of our economy. The conference is open to all who are interested in its deliberations. The N.R.C.A. is one of the cooperating organizations.

The program planned for this anniversary is exceptional in interest and importance. Rarely has such an impressive group of 20 internationally known speakers been brought together for one occasion. The proceedings of the conference will be available for reference and study. As a limited number of copies will be published, we suggest you order your copy now from Daniel Bloomfield, 80 Federal Street, Boston 10, Mass. Price per copy, postpaid, is \$4.00.

## Do You Want a Raise?



It is easy to get a raise if you know how. And the know how is contained in "How to Collect Installment Accounts," by Samuel W. Guggenheim, a 70-page cloth bound book, chock full of letters and sound advice, telling you how to collect installment accounts and open accounts.

To collect your raise in pay, use the ideas in this book as thousands of credit executives have done. Sent postpaid if you send \$2.00 only to

NATIONAL RETAIL CREDIT ASSOCIATION  
375 Jackson Ave.  
St. Louis 5, Mo.

## Mrs. Catherine D. Bartlett Retires

After a splendid record of 31 years of service with the Credit Bureau of Cleveland, Cleveland, Ohio, Mrs. Catherine Doody Bartlett, Manager of the Trade Report Department, retired July 15, 1953, it was announced by Gordon W. Gray, General Manager of the Bureau. Mrs. Bartlett was honored at the weekly luncheon meeting of the Bureau recently at the Mid-Day Club, at which time Arthur R. Peterman, Vice President of the Bureau, extended her the membership's warm appreciation for her outstanding service. A valued staff member since 1922, Mrs. Bartlett was one of the founders of the Women's Retail Credit Club in 1929 and was the first president of that organization. She also helped organize the Credit Women's Breakfast Clubs of North America and was president in 1940. Mrs. Bartlett was the guest of honor at a dinner given by the department heads of the Credit Bureau where she was presented with an attractive charm bracelet. Another event in her honor was a dinner at Chagrin Falls, Ohio, followed by an evening at the Chagrin Falls Little Theatre.

Last fall Mr. and Mrs. Bartlett toured Europe and they plan other travel in the near future. The N.R.C.A. wishes Mrs. Bartlett many years of happiness in her retirement and congratulates her on the many years of faithful service she has given to the credit profession.

### Consumer Credit Data for June

Consumer instalment credit outstanding increased 411 million dollars during June to an estimated 20,489 million at the month-end. Increases of about 400 million dollars had occurred in each of the preceding three months. The June expansion compares with increases of 724 million dollars in the same month of 1952, 54 million in 1951, and 489 million in 1950. All types of instalment credit increased during the month, but the rise in automobile credit again accounted for the major part of the gain in the instalment total. All types of financial institutions and all major classes of retail outlets increased their holdings. Noninstalment credit outstanding decreased 75 million dollars during June to an estimated 6,562 million at the end of the month. Total short-term and intermediate-term consumer credit outstanding on June 30, 1953 was estimated at 27,051 million dollars, 336 million above May and 4,605 above a year ago.

## NOTICE

The National Office should receive a list of new officers and directors of local Associations immediately after they are elected. Send them to: Arthur H. Hert, Secretary, National Retail Credit Association, 375 Jackson Avenue, St. Louis 5, Missouri.

## Wanted to Buy

CREDIT BUREAU in Northern Alabama, 35,000 to 60,000 population. Box 8253, The CREDIT WORLD.

## Consumer Credit Course at the University of Pennsylvania

The University of Pennsylvania, Philadelphia, Penn., as a part of the regular curriculum of the Wharton School of Finance and Commerce, is again offering this year a full-fledged course in Consumer Credit on Friday evenings beginning October 2, 1953. This course was the first course in the field of consumer credit offered by any University in the United States and its success has led to the initiation of similar courses in colleges and universities throughout the country. Special attention has been given to making the subject matter of the course and its presentation thoroughly practical, so that students from all segments of consumer credit, upon completion of the course, will have a comprehensive perspective of the entire consumer credit field. The policies and fundamental operating techniques of personal loan departments of commercial banks, consumer finance companies, sales finance companies, credit unions, and retail stores are discussed in such a way as to emphasize the practical approach to consumer credit problems.

Thirteen credit executives in the Philadelphia area have been engaged as lecturers in their respective fields. The course has been jointly sponsored by the Philadelphia Credit Bureau, Pennsylvania Bankers Association, Pennsylvania Consumer Finance Association and the Pennsylvania Credit Union League.

### F. W. Walter Retires

F. W. Walter, Credit Manager, The Bailey Co., Cleveland, Ohio, retired as of May 3, 1953. He is succeeded by William A. Evans, lately a divisional man within the Bailey's credit office. Over a long and successful career Mr. Walter performed credit executive work in New York, Cincinnati and Cleveland stores. For many years he was Chairman of the Educational Committee for the N.R.C.A. and appeared on the program of the International Consumer Credit Conference of our Association in Cincinnati, Ohio in June, 1950. He is a member of the Quarter Century Club and an Honorary Life member of the N.R.C.A. His many friends throughout the credit fraternity wish him many years of health and happiness in his well deserved retirement.

### J. A. Hendry Appointed Member of Firm

J. A. Hendry, Secretary, Jas. A. Ogilvy's Ltd., Montreal, Quebec, Canada, has been appointed a director of the firm. Associated with Ogilvy's in various capacities for 41 years, Mr. Hendry is a former member of the Montreal chapter of the Canadian Credit Institute and is Canadian director of the Credit Management Division, National Retail Dry Goods Association.

### Truesdales Celebrate Golden Anniversary

Mr. and Mrs. John R. Truesdale, Clearwater Beach, Florida, celebrated their golden wedding anniversary with a reception at their home recently. Mr. Truesdale was the first secretary of the Credit Service Exchange Division of the N.R.C.A., now known as the Associated Credit Bureaus of America. He is the author of the book *Credit Bureau Management*. Formerly of Youngstown, Ohio, he was associated with the Youngstown Retail Grocers and Meat Dealers Association and the Merchants' Mercantile Association.

## Retail Credit Schools

Since February 1, 1953, Retail Credit Schools, sponsored by the N.R.C.A. in cooperation with the ACBofA, have been conducted in such cities as Carlsbad, N. M., Albuquerque, N. M., Baton Rouge, La., Alexandria, La., Shreveport, La., Dallas, Tex., Colorado Springs, Colo., Montgomery, Ala., Birmingham, Ala., Tampa and Orlando, Florida. Many other cities have requested this course and are being scheduled for future dates. The credit schools are being taught by Sterling S. Speake, Retail Credit Specialist, on leave of absence from the University of Texas. Each school is set up on a four-night basis for two and one-half hours and all phases of credit selling are covered during the 10-hour course. A copy of Dr. Phelps's textbook, *Retail Credit Fundamentals*, is given to each enrollee and is included in the \$10.00 fee. The local credit bureau or sponsoring organization receives \$2.00 of the fee to take care of any local expenses, such as meeting room, postage, advertising, etc. The only requirement is a guarantee of a minimum of 50 people. So far, the average enrollment has been 80. The course is open to credit managers, credit employees, credit bureau personnel and any person connected with credit work.

Said W. R. Middleton, Manager, Credit Bureau of Carlsbad, N. M., "This credit school really was a shot in the arm for my Credit Bureau." Bland Cresap, Colorado Springs, remarked, "I'm sold on the value of your schools to the bureau manager as well as to credit managers in stores, banks, and doctors' offices."

Publicity material such as newspaper articles, brochures explaining the course, registration cards and an informational data sheet on organizing a school, are furnished to help secure the enrollments. "One of the things that have impressed me greatly," commented Mr. Speake, "is the interest enrollees take after they start the course."

An examination of 25 true-false statements is given to all those desiring a certificate and who have attended 75 per cent of the classes. A grade of 70 per cent is required. So far, about 90 per cent of the enrollees have been eligible for certificates.

Associations who wish to sponsor this credit course for their members and non-members who might become members, should write to Leonard Berry, Educational Director, National Retail Credit Association, 375 Jackson Avenue, St. Louis 5, Missouri.

National Retail Credit Association  
375 Jackson Avenue  
St. Louis 5, Missouri

We would like to have a Retail Credit School conducted in our city by Mr. Speake. Please give us date the Course can be scheduled for us. If possible, we prefer it to be scheduled during the month of \_\_\_\_\_ or month of \_\_\_\_\_

(1st choice) (2nd choice)

Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_



# Granting Credit in Canada

C. B. FLEMINGTON . . Canadian Correspondent



## Southern Fried...

NANCY BUCHANAN, Credit Bureau of Greater Toronto, Toronto, Ontario, Canada

HAVE YOU ever stepped from a beautifully air-conditioned train in Chicago, to find that the temperature is a humid 104 degrees? If you have, you can imagine what a wonderful relief it is to step off an equally well air-conditioned train in New Orleans, to find that it is only a humid 103 degrees. What does mere temperature matter when one has finally arrived in the most fascinating city in America, New Orleans, the Mecca of the epicurean and the gourmet, the setting for the famous (or the infamous, depending on where sympathies lie in those days) Louisiana Purchase, the most fantastic real estate transaction the world has ever known. It could only have happened here, where the old and historic meet the new and progressive.

For New Orleans is in fact two cities, one the Vieux Carré, which the Sieur de Bienville isolated by means of a wall and a moat in the mid-eighteenth century; the other, a new city built by eager Americans after the sale of the Louisiana Territory. These two, the old and the new, have finally met in the broad, roaring torrent of Canal Street, which can no longer be recognized as a boundary, other than by historians.

To attempt a detailed travelogue would require volumes, but a cursory glance would pinpoint the beautiful St. Louis Cathedral, erected in 1794 by Don Andres Almonester y Roxas, and which later witnessed the ceremony of the exchange of flags in December, 1803, when the royal red and yellow emblem of Spain fluttered down from the high flagstaff in Jackson Square, to be replaced by the tricolor of Napoleon's France for 20 short days, only to be succeeded by the banner of 15 stars and stripes of the United States. In other sections of the city, one can see some of the lovely antebellum homes, with their intricate iron grillwork which adorns many of the older houses. The picturesque old market places, wharves, "squares," duelling oaks, are all there to be gazed at and admired.

For the gourmet, there are the magic names: Antoine's, Galatoire's, Arnaud's, the lovely Court of Two Sisters, and on and on until you can never eat again without making odious comparisons. Here is the home of dishes refined to perfection: Creole Gumbo, Oysters à la Rockefeller, Shrimp Remoulade; the very names conjure up visions of an old, forgotten way of life.

In my exuberance, I almost forgot that I came here to attend the 39th Annual International Consumer Credit Conference, held June 22 to June 26, under the joint auspices of the Associated Credit Bureaus of America, the National Retail Credit Association, the Credit Women's Breakfast Clubs of North America, the Credit Granters' Association of Canada, and the Associated Credit Bureaus of Canada. To those who were instrumental in bringing the Conference to New Orleans, our

thanks. Where else could the Annual Breakfast, such a splendid beginning to a well-planned conference, have been so stimulating at 7:30 in the morning? The lovely, mirrored Grand Ballroom of the Hotel Roosevelt, the convention headquarters, was filled to capacity on the morning of June 22, when the Credit Women's Breakfast Clubs of North America held their Annual Breakfast, to which all bosses were invited and, I may add, seemed eager to accept. Imagine the delight of the delegates to be greeted at the door and ushered to their tables by members of the New Orleans Breakfast Club, acting as hostesses and "disguised," flamboyantly, as "coal-black mammies," voodoo women and other costumes typical of the area.

Following the Breakfast, what would have proved entirely incongruous anywhere else in the world, but which appeared here to be the natural course of events, the meeting was most thoroughly entertained by the person of "Poppa" Celestine, one of the most famous and best loved jazz trumpeters in America, who was, that morning, the instigator of much foot tapping and hand clapping. Never has breakfast been quite so stimulating.

Later that morning, a joint meeting of the Associated Credit Bureaus of Canada and the Credit Granters' Association of Canada was held under the able and amiable chairmanship of H. Leslie Hulme of Aluminum Goods, Toronto, and President of the Credit Granters' Association of Canada, during which various matters pertaining to the procedure of both associations were brought up and discussed by the various Canadian delegates.

At 9:00 a.m. the following morning, O. W. Freiberg, San Francisco, and President of the National Retail Credit Association, officially welcomed all delegates to the Conference and the Invocation was made by the Rev. Joseph Butt of Loyola University of the South, New Orleans.

"Greetings" were humorously delivered by Mr. Francis Auger of Orlando, Florida, President of the Associated Credit Bureaus of America, and also by Nelle Stombs of Rock Island, Ill., President of the Credit Women's Breakfast Clubs of North America.

Then followed a panel discussion, "Credit Sales Promotion," with W. J. Tate of Chas. Ogilvy Ltd., Ottawa, Ontario, and Second Vice President of the National Retail Credit Association acting as a most exemplary moderator. Those taking part handled their various topics

*Reading this publication carefully and regularly will contribute to your success as a Credit Executive*

in an expert manner, concentrating years of knowledge and experience into the comparatively short time allotted to each subject.

To describe an address given by Arthur C. Horrocks, Public Relations Counsel, Goodyear Tire & Rubber Co., Akron, Ohio, as being tremendously inspirational, could not be considered as being hyperbolic. Mr. Horrock's talk was entitled "The Unfinished Dream" and seldom has a speaker been listened to with such rapt attention or applauded so vigorously.

That evening, the steamer "President," groaning under the weight of several hundred delegates, made its way down the Mississippi to the strains of music provided by the ship's orchestra and as a glamorous diversion, the gorgeously attired King and Queen of the last Mardi Gras, in their glittering, silver costumes, paraded for our benefit in a truly regal and dignified manner.

On Wednesday morning, we heard a splendid address by Paul L. Selby, Executive Vice President, National Consumer Finance Association, Washington, D. C., entitled "Consumer Finance and Its Relations to Credit Bureaus," followed by a question-and-answer period, during which a great deal of interest was evidenced.

In the afternoon, the meetings provided various types of subjects dealing with credit and collection procedure. Fred S. Kreiger, of Milwaukee, Wisconsin, and George P. Johns, of Decatur, Illinois, acted as co-moderators in a discussion "How to Correct Irregular Inter-Bureau Service" and later that day, Ralph Matthews, of Battle Creek, Michigan, and Ralph Walker, of Cedar Rapids, Iowa, were the co-moderators on the subject of "New Developments in Financing Consumer Credit."

Once again on Thursday morning the ever-popular panel discussion type of meeting was held. Francis Auger, President of the Associated Credit Bureaus of America, acted as Chairman and the panel was graced by the presence of charming Rita Barnes of London, Ontario. Following this most constructive and enlightening panel, there was a talk by John C. Faris, Manager, Customer Business Department, Union Electric Company of Missouri, St. Louis, under the provocative title of "You Can't Be a Boss," which, at first glance, would appear to be quite paradoxical in an address to a gathering of this type, but which proved both practical and appropriate.

Harold A. Wallace, Executive Vice President of the Associated Credit Bureaus of America, introduced the new officers of that organization for the coming year, with Howard Chilton, last year's Vice President, moving up to take his place as President. Nelle Stombe announced that the new President of the Credit Women's Breakfast Clubs of North America was to be Mrs. Mabel Bliss and Mr. Lindley S. Crowder introduced the new officers of the National Retail Credit Association, of which Henry C. Alexander is the new President, with W. J. Tate of Ottawa, Ontario, as First Vice President.

And finally, la piece de resistance, the Banquet and Dance, held in the Grand Ballroom of the Roosevelt Hotel on Thursday evening, with filet mignon as the main dinner course and an entertaining floor show. Owing to the large number attending, it was found necessary to use not only the Grand Ballroom but also the University Room for dancing.

Thus ended the 39th International Consumer Credit

## "Hotel Reservations"

(Beginning on page 9.)

Two Bedroom Suites for 4 people and parlor, \$40.50 to \$54.50.

(These are de luxe.)

### MARK HOPKINS HOTEL:

Single Rooms, \$9.50 to \$13.50.

Room for 2 persons (double or twin-bedded), \$12.50 to \$17.50.

Suites with Bedroom for 2, and parlor, \$23.00 to \$35.00.

Two Bedroom Suites for 4 people and parlor, \$42.00 to \$52.00.

(Luxurious quarters.)

### HUNTINGTON HOTEL:

Single Rooms, \$6.00 to \$12.50.

Room for 2 persons (double or twin-bedded), \$8.00 to \$15.00.

Suites with Bedroom for 2, and parlor, \$15.00 to \$25.00.

Two Bedroom Suites for 4 people and parlor, \$25.00 to \$40.00.

### SIR FRANCIS DRAKE HOTEL:

Single Room, \$7.75 to \$12.75.

Double bedded room (2 persons), \$9.75 to \$14.75.

Twin-bedded room (2 persons), \$12.00 to \$18.50.

Suites, \$25.50 to \$35.00.

### ST. FRANCIS HOTEL:

Single Rooms, \$7.50 to \$16.00.

Room for 2 persons (double or twin-bedded), \$9.50 to \$20.00.

Suites with Bedroom for 2, and parlor, \$18.00 to \$40.00.

Two Bedroom Suites for 4 people and parlor, \$25.00 to \$50.00.

### CHANCELLOR HOTEL:

Single Room, \$5.00.

Room for 2 persons (double bed), \$7.00.

Room for 2 persons (twin beds), \$8.00.

No Suites.

### PLAZA HOTEL:

Single Room, \$5.00 to \$6.00.

2 persons (double bed), \$6.50, \$8.50.

2 persons (twin beds), \$7.00, \$9.00.

Family Room (2 persons), \$9.00 accommodating up to 5 persons at \$2.50 per person additional.

Parlor Suite (1 or 2 persons), \$12.50 with additional occupants at \$2.50 each.

Conference. To all who contributed so much to the success of this event, the thanks of the delegates for a job well done. Each successive year seems to strengthen the ties which exist between our Country and the United States. Our mutual reaction to the good neighbour policy between us serves to solidify thought and action, as we learn from one another the essence of living as free people in a democratic world.

Much of value in our everyday sphere of operation was gained through participation in the various panels and forums. To all those whose labours contributed so considerably to the success of the Conference, the sincere thanks of all Canadians present. \*\*\*

# Comparative Collection Percentages

July 1953 vs. July 1952

DISTRICT and CITIES	DEPARTMENT STORES (Open Accounts)						DEPARTMENT STORES (Installment Accounts)						WOMEN'S SPECIALTY STORES						MEN'S CLOTHING STORES						
	1953			1952			1953			1952			1953			1952			1953			1952			
	AV	HI	LO	AV	HI	LO	AV	HI	LO	AV	HI	LO	AV	HI	LO	AV	HI	LO	AV	HI	LO	AV	HI	LO	
Boston, Mass.	48.0	55.8	40.9	44.7	53.9	37.5	15.3	23.7	10.0	18.2	28.2	13.2	—	—	—	—	—	—	—	—	—	—	—	—	
Lynn, Mass.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
1 Providence, R. I.	49.2	52.0	48.1	48.3	54.5	40.1	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Springfield, Mass.	61.8	64.3	59.3	62.9	66.8	59.0	23.9	24.4	23.5	24.8	25.9	23.7	—	64.3	—	—	63.3	—	—	49.6	—	—	52.4	—	
Worcester, Mass.	—	50.1	—	45.3	47.5	43.2	—	22.4	—	20.9	25.0	16.7	48.5	51.1	46.0	48.3	48.6	48.0	—	—	—	—	—	—	
2 New York, N. Y.	47.3	54.7	39.3	43.2	52.2	36.8	19.5	25.2	15.8	20.1	25.6	16.9	41.3	44.0	39.5	41.8	41.9	39.4	49.1	49.3	48.9	48.6	51.2	46.0	
3 Atlanta, Ga.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
4 Birmingham, Ala.	42.1	47.6	36.5	41.2	54.9	34.0	18.5	23.0	13.9	17.9	20.9	15.0	38.5	43.9	33.0	37.2	44.1	30.4	49.1	50.0	47.7	48.4	49.9	46.5	
New Orleans, La.*	41.5	43.4	40.1	38.5	49.6	37.6	—	9.6	—	12.7	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Cincinnati, Ohio*	56.4	58.8	53.8	54.8	57.4	46.9	15.7	20.8	11.0	17.3	21.0	14.4	58.3	64.0	52.6	56.7	63.5	50.0	—	56.1	—	53.9	59.6	48.3	
Cleveland, Ohio	47.1	54.6	42.0	43.8	50.7	37.0	18.8	23.3	14.0	18.4	21.2	14.8	33.0	57.8	23.5	29.0	61.0	20.5	76.2	90.3	46.1	74.8	81.2	40.7	
Columbus, Ohio	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Detroit, Mich.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
5 Grand Rapids, Mich.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Louisville, Ky.	43.6	45.5	41.8	43.3	47.3	39.3	16.3	19.1	13.5	17.2	18.9	15.5	44.4	48.0	41.7	43.6	48.2	40.8	47.3	57.7	41.8	45.8	53.9	39.8	
Ottawa, Ontario	—	—	—	37.2	41.1	27.1	—	—	—	17.0	20.0	14.3	—	—	—	—	—	—	—	—	—	—	—	—	
Toledo, Ohio*	49.8	55.8	41.7	44.4	45.0	41.9	17.1	18.0	14.6	16.1	19.1	14.6	56.0	56.7	55.3	54.9	55.5	54.4	—	44.7	—	45.8	47.8	43.9	
Youngstown, Ohio*	—	43.5	—	37.3	—	—	14.4	—	—	14.4	—	—	—	—	—	—	—	—	52.5	—	—	45.8	—	—	
Cedar Rapids, Ia.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Davenport, Ia.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Des Moines, Ia.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
6 Minneapolis, Minn.	56.1	61.9	46.7	57.0	64.3	51.2	16.0	16.9	14.4	19.9	22.0	18.3	50.7	61.9	39.6	48.6	58.0	39.2	48.2	54.0	46.3	48.4	50.8	46.1	
Omaha, Neb.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Sioux City, Ia.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Kansas City, Mo.	—	—	—	40.5	44.5	36.5	—	—	—	13.1	14.8	11.5	—	—	—	54.3	60.9	53.2	—	—	54.3	60.9	53.2	—	—
St. Louis, Mo.	55.5	56.9	54.4	53.7	54.5	53.2	19.0	21.2	15.5	18.0	20.7	16.6	38.0	55.0	28.2	37.2	53.0	29.0	48.9	53.7	46.1	48.5	52.3	46.2	
9 Denver, Colo.	51.3	52.7	37.6	48.6	54.5	37.7	14.2	20.4	12.7	18.3	22.6	16.8	51.0	51.6	50.3	47.2	49.8	44.6	51.0	51.6	50.3	47.2	49.8	44.6	
Salt Lake City, Utah	54.2	55.8	51.0	57.6	60.0	54.5	18.6	23.0	16.8	19.1	24.9	16.0	—	—	—	—	—	—	46.6	47.3	46.0	46.1	47.5	44.7	
Spokane, Wash.	56.4	74.3	46.5	60.4	66.6	54.3	13.3	15.0	10.0	15.0	15.1	15.0	54.8	63.9	45.8	58.2	70.9	45.5	—	—	—	—	—	—	
10 Vancouver, B. C.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Victoria, B. C.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Los Angeles, Calif.	52.4	59.0	46.0	51.0	63.3	41.0	15.2	17.9	14.3	19.0	23.6	17.2	—	—	—	—	—	—	52.7	59.2	52.0	54.0	67.9	53.6	
Oakland, Calif.	56.9	60.4	55.5	58.3	62.3	56.6	17.4	20.0	14.3	19.1	19.7	16.6	60.0	66.3	52.7	62.8	69.6	56.1	—	52.0	—	60.7	69.6	51.8	
Santa Barbara, Calif.	61.0	64.2	57.0	61.1	65.3	54.2	—	—	—	—	—	—	56.4	58.2	54.3	57.3	62.4	52.9	59.1	68.1	47.5	60.1	68.0	47.8	
San Francisco, Calif.	54.2	61.3	48.1	54.1	62.4	46.0	16.2	17.4	15.1	19.0	22.2	16.6	44.4	48.9	38.6	45.2	49.9	37.9	47.3	49.8	42.4	46.4	49.1	40.7	
Baltimore, Md.*	45.5	48.8	42.7	45.6	51.8	40.0	15.4	22.8	8.4	17.7	22.5	11.8	39.3	50.4	28.3	38.0	47.0	23.3	43.5	50.5	36.5	39.7	45.7	33.8	
12 Pittsburgh, Pa.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Washington, D. C.	42.7	50.6	38.9	41.2	49.1	35.1	14.0	18.3	12.0	16.2	19.0	12.7	—	—	—	—	—	—	—	—	—	—	—	—	
13 Milwaukee, Wisc.	52.1	53.6	50.6	49.3	50.3	48.3	17.4	17.7	17.2	19.1	20.9	17.2	—	—	—	—	—	—	50.7	65.7	48.6	43.0	58.7	40.0	

\* Figures for June.

INSTALMENT ACCOUNTS outstanding at department stores at the end of June were practically unchanged from the level of the preceding month, but were 23 per cent above a year ago. Collections on instalment accounts during June amounted to 15 per cent of first-of-month balances outstanding, the same as in May, but 3 points below the collection ratio of June last year. Charge accounts outstanding declined 1 per cent during June, a month in which some decrease is usual, but balances at the month-end were 3

per cent above the corresponding date last year. The June collection ratio of 47 per cent was 1 point above both a month ago and a year ago. Sales of all types decreased from May to June—cash sales by 2 per cent, charge-account sales by 5 per cent, and instalment sales by 4 per cent. Compared with a year ago, each type of sale was up 5 per cent. Consequently, the relative importance of cash, charge, and instalment sales was practically unchanged from both a month ago and a year ago.—Federal Reserve Board.

# Credit and Collection Procedure

## An "Under '21' Charge Account Plan"

Most credit executives recognize the potentialities for increased credit sales that exist in the large number of "under age" young people who nevertheless possess a degree of credit responsibility. However, few credit managers have actively and consistently promoted credit sales to this group.

One store that has pioneered in this field of credit sales promotion is Smiths, Oakland, California. This store carries on its letterhead the statement, "The Largest Men's and Boys' Store West of Chicago." Ray Edwards, Credit Manager of Smiths, describes his "Under 21 Charge Account Plan" as follows:

"For a long time our store tried to develop some arrangement so we could offer credit service to people who were not of age. We finally came up with 'Smiths Under 21 Plan' and offered it to the young people of our community.

"We operate three stores located in Oakland, Berkeley, and Hayward, California. We sell only men's and boys' apparel ranging from age two and up. We have been in business 67 years. We specialize in nationally branded merchandise.

"We had so many boys and young men who found it necessary to use their parents' account whenever they shopped in our store. They did not like the idea of having us call home to verify certain charges and they did not like to bring notes from their parents. Then, there was always the difficulty of the young people's trying to

keep their account in balance with their parents' statement. They wanted to have their own account, so we did something about it.

"The idea behind the program was to create customers from the ranks of under-aged people, and then keep them as credit customers after they reach their 21st birthday.

"Their past-paying record from age 16 through 21 is a wonderful basis on which to extend credit in future years. If these people are treated right, you are almost sure to maintain them as charge customers after they leave school and go to work.

"Many credit men have frowned on extending credit to minors. We have found that, if done on a limited basis as we do, the retailer cannot get hurt too badly. We have also found through experience that losses on this type of account are about the same as with other credit plans.

"We went into the plan in November of 1950 and have built up a fine business through this medium. We know we have built a tremendous amount of good will, and our Advertising Department has done a fine public relations job.

"We feel that these young people will not forget us after they get out of school and will appreciate the lift we give them when they need it most and when practically all other stores will have nothing to do with them

(Turn to "Under 21," page 28.)



The UNDER '21' CHARGE ACCOUNT plan, registered in the United States Patent Office in Washington, is our original way of permitting High School Boys students or others to charge purchases to their own accounts.

After the account is opened the individual is entitled to a limit of \$14.00 in credit for separate purchases — payable in 12 weekly installments.

This early credit experience will assist the youngster in obtaining a better understanding of the value of a dollar. It will help in developing self-sufficiency, an courage thereby and acquire a better appearance.

The individual CREDIT CARD issued to each individual states: "Your credit is your honor." This credit card signifies our trust in you. By fulfilling your obligations promptly you achieve a most valuable asset - "good credit". Guard it as you would your honor."

UNDER '21' CHARGE ACCOUNT • UNDER '21' CHARGE ACCOUNT • UNDER '21' CHARGE ACCOUNT • UNDER '21' CHARGE ACCOUNT

### QUESTIONS AND ANSWERS

\* \* \*

**Question: Who is eligible for an UNDER '21' CHARGE ACCOUNT?**

**Answer:** Any high school, prep student or individual under "21".

**Question: How does it work?**

**Answer:** The young man or young lady applies for an account in our credit department. A special application form is filled out for the credit information needed. The account is opened in the individual's name with a maximum limit of \$14.00 to be paid in twelve weekly payments of \$1.00 per week. If the purchase is no more than \$12.00 the minimum payment may be as little as \$1.00 per week.

**Question: Does an Under '21' account have to work at a full or part time job to be eligible?**

**Answer:** No. Some Under '21ers' have allowances which will permit them to pay \$1.00 or \$1.00 per week on aparel purchases.

Other young men and young women work at jobs which pay commissions. Their income varies but they too are eligible for accounts.

**Question: Can additional purchases be made on the account?**

**Answer:** Yes. If the payments are kept up to date other articles may be purchased providing that the total \$28.00 limit of the account is not exceeded.

**Question: How much time is allowed for the payment of the account?**

**Answer:** Up to 12 weeks.

**Question: Is an individual credit card issued?**

**Answer:** Yes.

# for the *Smaller Businessman*

SALES PROMOTIONS • OFFICE PROCEDURES • CREDIT AND COLLECTION PROBLEMS

## *When Should I Ask for Payment?*

THE QUESTION posed to our panel of experienced credit executives this month is really fundamental and important. Collections are of constant interest to all who grant credit. The member who sent in this month's question is to be congratulated on striking at the heart of successful retail credit management in asking this four-part question. Our panel, too, should be congratulated on handling the question so clearly and helpfully.

### QUESTION

*When should I start collection follow-up on:*

- a. *Monthly charge accounts?*
- b. *Instalment accounts?*
- c. *Should stickers be used for the first two or three collection reminders?*
- d. *When should I telephone the past-due customer?*

### ANSWERS

**Kenneth Oetzel, Credit Manager, Boyd's, St. Louis, Missouri:**

At the 39th Annual International Credit Conference in New Orleans in June, we had an interesting discussion on this very subject. Some stores started follow-ups ten days after the third statement went out. However, the majority of them sent out the first notice ten days after the second statement, in other words in seventy days. It was generally agreed that the first statement on instalment accounts should go out five days after it is due, and then regular follow-ups at seven day intervals.

There seemed to be some difference of opinion about the use of stickers. Some liked the idea and got good results. Others used printed forms which were inserted during the billing period. This method seems to save time and yet gets good results. The important thing to watch when using printed forms is to see that they go on the right account. A capable girl should have this responsibility.

As a general rule, I think the telephone should be used after the third notice has brought no results. I would not hesitate to use the telephone the very first time to notify a customer of his past-due account, if the history of it shows that it is slow and notices have been overlooked before.

**R. M. Wylie, Credit Manager, Weinstock-Lubin and Company, Sacramento, California:**

Follow-up of accounts receivable will depend first of all on policy established by management. This will be governed by the financial position of the organization and the number of times management desires to turn its money. An early collection follow-up in some localities will result in a loss of sales. Yet, in others, unless the procedure is started within a reasonable length of time, the failure to do so will result in bad debt loss. Therefore, the credit manager must first understand his locality and discuss with management as to pro-

cedure in a relationship to time of follow-up.

After these factors have been determined a definite collection policy should be established. This policy should be one of courteous but definite procedure. A great aid to the collection department is to make sure the customer understands the method of payment at the time the account is opened. There should be no misunderstanding regarding the type of account and how it is to be paid. Once collection effort is started it should continue with regularity until such time as the obligation is collected. In the early stages the message is not important. The contact itself is sufficient to remind the customer of her account. A courteous sticker on the statement is sufficient. But again, it must be emphasized that once the effort has been started it is necessary that it be continued on a definite schedule with each letter becoming stronger in collection appeal.

Collection procedure can be compared to a flight of steps with landings. Each step raises us higher in our efforts. When a reply or a promise is made by the customer as a result of one of these steps, the answer should have the same collection weight that brought in the reply and if the promise does not materialize, then we should ascend to the next collection step up the ladder. The time given the customer to keep his promise can be compared to the landing in the stairway.

Most merchants follow up their thirty-day accounts sixty days after billing. Many, however, enclose light reminders with their statement if a balance is carried forward from the previous month. Although this has a great deal of pulling power, it cannot be considered a step in the collection procedure. After the first definite follow-up, the account should be reviewed and handled at least each fifteen days thereafter.

The stickers supplied by the National Retail Credit Association do a fine collection job during the early stages of collection and can also be used on the monthly statement where a balance is carried forward from the previous month. This is an economic way of calling the customer's attention to the condition of his account.

Today the most economic way of handling accounts, of course, is by phone but as this is considered a strong collection effort, it should not be done until the customer has had two reminders by mail for regardless of what is said over the phone, the customer is embarrassed by the contact.

Remember that it has been estimated that an account three months past due has depreciated in value 10 per cent. An account only twice that age past due has depreciated four times, or 40 per cent.

**Eldon L. Taylor, Credit Manager, Glen Bros. Music Company, Salt Lake City, Utah:**

Collection follow-up should begin on monthly charge accounts with a reminder on the statement sent on the first of the next month following the first statement issued to the

customer on the items making up the account. From then on the account should be followed closely to try and prevent a bad account.

Instalment accounts should be sent a statement within seven days after the due date if a monthly account, or within three days if payable weekly. From then on you should follow up with your regular routine within a few days, so that you will not go over into the succeeding month without a payment or a good explanation for the past-due payment and a definite arrangement by the customer to bring the account to date. Stickers are useful as collection reminders on the first one or two statements, after the due date, but should be changed often and followed quickly by letters or telephone calls.

The telephone is a very good collection medium on past due accounts, but do not be too hasty in using it on an account with a good pay record in the past. Many people resent being called on the telephone about an account and I do not feel this medium should be used until your regular routine has been used and ignored, or on special cases, where the account is new and questionable.

**Alexander Harding, Credit Manager, John H. Pray & Sons Co., Boston, Massachusetts:**

A. The answer to this question depends almost entirely on your firm's credit policy. I believe you will find that credit policies revolve around one or two points: Strict credit policy with a liberal collection follow-up or a liberal credit policy with a strict collection follow-up. However, in either case I feel that if your credit application states that monthly charge accounts are due and payable in full within thirty days from date of billing and your customer signs the application to that effect then you have every right to expect that he or she will adhere to that policy. We send out statements on the first of the month following billing (we are on calendar billing basis) and follow up every fifteen days thereafter with a series of collection letters.

B. Your instalment account calls for payment to be made on a certain date each month and should therefore be given the same consideration by your customer as his mortgage payment to his bank. We allow a customer five days beyond the due date and then follow up every ten days thereafter until the account is brought into a current position.

C. I personally do not believe in stickers as a form of reminder. If you value your customer's patronage then you should show her the consideration of a properly worded collection letter.

To me, stickers cheapen the method whereby you are trying to collect your money. Actually the cost is far less to have a nicely printed collection letter made up than to use a statement and then insert or paste a sticker to the statement.

D. Sometimes you have to telephone a customer regarding her account within two weeks after the original bill is mailed whereas in other cases you should wait for ninety days. Each case must be treated individually and I do not believe there is any set formula you can use in the matter of telephoning customers who are past due. Ask the collection manager of your local credit bureau what he thinks of the telephone and how he uses it and I think you will really have your eyes opened as to the value of that wonderful instrument—the telephone.

**W. O. Perlick, Assistant Vice-President, "Charge It" Service, Texas Bank & Trust Company, Dallas, Texas:**

Collection effort on monthly charge accounts is in itself quite a problem as there are so many unusual circumstances

surrounding the individual account that successful collection of this type of obligation can best be measured by the results obtained only after careful analysis of each individual situation. In all cases, we definitely make it a point to analyze carefully all available information and then judge future handling of the account accordingly. However, should you care to generalize your collection efforts, the first statement going out to the customer showing a previous unpaid balance normally would contain nothing but the amount due. The next statement could contain an aging of the balances due and from then on stickers and gentle reminders in the sequence necessary, as should be indicated by the amount of the obligation. On an account that reaches ninety-day past-due proportions, we have found it practical to use either a sticker or an addressograph impression, "Please mail your check in full so further charging privileges may be promptly extended."

Instalment accounts present a little different problem in that your customer is aware of the due date of each payment and should be reminded within at least five days past the due date of her failure to pay. Future contact with this customer would depend entirely on the collection policies adopted by your management; but, for practical purposes, I would suggest intervals of not more than ten days. Stickers have proved their value, particularly so when they are identified as those issued by the National Retail Credit Association. The very nature of the stickers available through the N.R.C.A. and their identifying symbol has a much greater collection effect than those without.

Use of the telephone can be one of your strongest collection efforts. One advantage in using your telephone is the opportunity you have of putting your customer in a position where she will begin to talk without any actual collection effort on your part. An example of this would be, "Good morning, Mrs. Jones. This is John Doe, of the Blank Company, calling about your account." At this point it is always practical to hesitate long enough for the customer to begin her explanation of her past-due account and also giving her an opportunity to make a definite promise as to when she will pay.

You will notice that there is no direct inquiry as to the condition of her account and her failure to pay, but rather the inference is suggested and she automatically will respond with the desired information. In all cases, collection effort is nothing more or less than an extension of salesmanship and your customer will be happy to continue doing business with you as long as she is impressed with your friendly co-operative but firm attitude toward collections.

**Mrs. Dorothe Bolte, Credit Manager, Lyons Brothers Lumber & Fuel Company, Joliet, Illinois:**

Credit cannot be made automatic, so it follows that collection analysis must be approached from various angles and the timing is important. No hard-and-fast procedure is one hundred per cent effective. Yet a routine must be established which will permit flexibility.

a. Monthly charge accounts should receive follow-up when they are thirty days past due on the theory that the older an account becomes the more difficult it is to justify collection effort.

b. Instalment accounts should receive first collection effort within ten to fifteen days of the due date.

c. It would be my suggestion that collection stickers be used in only the first or second instance of the collection procedure. From then on, if the account remains unpaid it war-

rants a more personalized follow-up such as letters or other form of reminder.

d. In deciding when to employ the telephone as a collection medium, I would suggest that it be done not later than the fourth reminder. If there has been no response to several stickers and a letter, it is the positive way of knowing that you have contacted the debtor and invariably you can extract a definite promise from him in addition to determining the exact status of the account.

Most important of all, once the account is in line for whatever collection procedure you have established be sure to keep at it. Haphazard follow-up may result in the ultimate loss of the present account plus possibility of jeopardizing future business.

**John E. Zimmerman, Credit Manager, Morris Kirschman & Company, New Orleans, Louisiana:**

Collection follow-up on monthly charge accounts should begin forty-five days from the first billing date. Purchases in May, bill rendered June 1, would receive first notice if account not paid by July 15. After the reminder stage there should be a methodical follow-up every fifteen days by means of letters and telephone calls.

The first collection reminder on instalment accounts should be released five to seven days after due date and the account followed up regularly each ten days thereafter until paid.

Instead of using stickers on collection reminders, different colored cards have been used effectively for the first two or three collection reminders.

After releasing two collection reminders and two letters the account is usually two payments in arrears. At this time the telephone should be used calling attention to the account

## "Under 21"

(Beginning on page 25.)

on a credit basis.

"It is not necessary for the parent to guarantee the account, and in no case do we look to the parent for payment.

"Although our store carries only men's and boys' apparel, a number of young women use our 'Smiths Under 21 Plan.' They buy gifts for Father's Day, Easter, Graduation, and of course, at Christmas.

"Young men of today are more style conscious than ever before, and since we are definitely a style store, we have made capital of this. Young Americans will pay their bills just as well as those who are over 21 if only given a chance. These kids take a terrific pride in having an account of their own, being able to charge on it when they wish and, at the same time, establishing a sound basis for future credit."

Mr. Edwards points out that the copyright on the name "Under 21 Charge Account Plan" is held by the Acme Corporation, 1132 West 35th Street, Chicago, Illinois, and that Smiths have the franchise to use it in Alameda County, California, exclusively.

Illustrated are, one, a descriptive folder of the Plan, and two, Credit Card issued by Smiths to customers qualifying under the Plan. ★★

and demanding payment at once. Another follow-up by telephone should be made in the event the customer does not live up to the first promise. ★★



### We have YOUR NAME in this "Who's Who"

As a member of the Credit Bureau we are called upon to report, at frequent intervals, the credit standing of our customers. This report is available to every merchant or professional man who is a member of the Credit Bureau.

Your account with us at the present time is PAST DUE. To maintain a good credit record, you should make a payment NOW or arrange for an early settlement.

Name \_\_\_\_\_

Owed to \_\_\_\_\_

Balance \$\_\_\_\_\_ Past Due \$\_\_\_\_\_

Date \_\_\_\_\_

Guard Your Credit as a Sacred Trust

## Reluctant Dollars

Merchants and professional men can bring in reluctant dollars by using the tested Collection Insert shown here. Prepared at the urgent request of our members, it has a definite tie-in with the credit bureau. Not only does it turn past-due receivables into cash, but it is an effective means of educating the general public to pay bills promptly.

This is another success number in our series of Collection Helps. The size is three inches by five and one-half inches and it is printed in dark green ink on canary bond stock. Only \$3.00 per thousand.

## NATIONAL RETAIL CREDIT ASSOCIATION

375 Jackson Ave.

St. Louis 5, Mo.



## Items of Interest From the NATION'S CAPITAL

JOHN F. CLAGETT, Counsel, National Retail Credit Association, Washington, D.C.

**Revision of Money Order Form**—Contact with the Post Office Department has been maintained on the problem created when the remitter's "address" was removed from the form about two years ago. N.R.C.A. adopted resolutions calling for a re-writing or revision of the form to include the "address," and re-institution of the practice by Postmaster of writing in the "address" when issuing money orders.

The Department took the position that the cost to the government of writing in the address of the remitter on some 375 million money orders yearly, overbalanced the admitted convenience to both remitters and recipients in having the "address" on the money order form for convenience in identifying remitters, crediting accounts, etc. (See July, 1953, CREDIT WORLD, p. 30).

The Department, however, recognized the problem, and, in the July issue referred to, we reported its plans to create and publicize a nation-wide program to have the remitter himself write in his address after buying the order. Now we can report that as a result of the continued representations and complaints which the Department continued to receive, a decision was made to revise the money order form again, and that the new form will be issued and available about November 1, 1953.

Two changes will be made which the Department believes will substantially eliminate the problem, and at the same time still save the Department the expense of writing in these millions of "addresses" by postmasters when issuing money orders.

These two revisions are: First, the word "remitter" will be changed to the better understood word, "purchaser." The second revision will contain, in small print below the name of the "purchaser," the following directive: "Purchaser—please write your address here."

At the time the new form is ready for distribution, the Department proposes to publicize its changes by placing placards in post offices, and otherwise. Officials of the Division of Money Orders have indicated that at that time individual publicity efforts by department stores, utilities, finance companies, etc. will be most helpful. It is hoped that such a publicity campaign, starting about November 1, 1953, could be carried through to a successful conclusion before the Christmas season.

**Hon. J. Percy Priest (R), Tennessee, Speaks a Piece on Consumer Credit Controls**—On August 3, 1953, final day of the first session of the 83rd Congress, Mr. Priest made a statement for the Congressional Record, in part as follows:

"The Federal Reserve Board says consumers owe \$19 billion for the purchase of durable goods and for money borrowed on the installment plan. A consumer is an

individual who buys an article or borrows money for personal use. He does not buy or borrow for business purposes. Now, let us see how the Board arrives at its figure of \$19 billion.

"The Board says individuals owe \$9 billion for automobiles; \$5 billion for vacuum cleaners, refrigerators, furniture, and other durable goods; approximately \$1,400 million for home repair and modernization loans, and almost \$4 billion for personal loans. These are the Board's own figures, mind you, and I want to show you how utterly fantastic they are.

"The Board's figure for automobile debt does not show how much of this is owed by doctors, salesmen, farmers, and factory workers who could not earn a dime without an automobile.

"The Board's assumption—and it is only an assumption—that individuals owe \$5 billion for TV-radio sets and other durable goods is a highly bloated figure. Thousands of TV-radio sets have been sold to restaurants and hotels for business purposes only. This is a commercial debt. It is not debt contracted by individuals. The same applies to furniture, a high percentage of which is sold daily to rooming houses and hotels. This is equally true in the case of refrigerators, vacuum cleaners, washing machines, and other appliances needed to run a business. The Board ignores these facts in its computations, charging the individual with the entire \$5 billion.

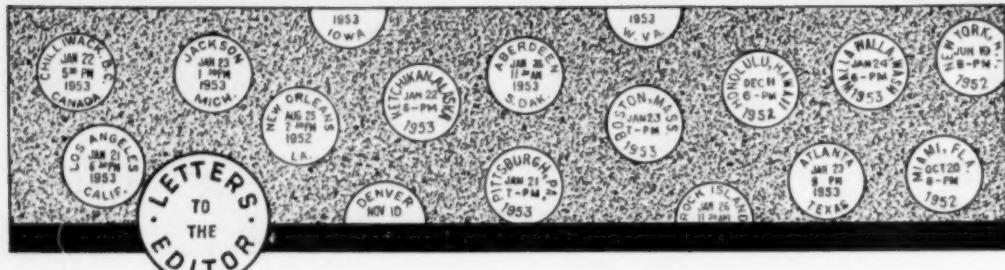
"I have no way of telling the exact amount owed by individuals for household appliances. I do know that it is nothing like the Board's figure of \$5 billion.

"The Board's figure of \$1,384,000,000 owed for home repair and modernization loans should not be charged up to consumer credit. Such loans are more in the nature of capital-improvement loans.

"The Board reports that individuals now owe about \$4 billions to banks, consumer finance companies, and other lending institutions, for loans made on the installment plan. The public is not told that this four billion estimate includes thousands of loans of three, four, and even \$20,000.00 to businessmen, payable on the installment plan. Nor does it include smaller loans made to business by consumer finance companies. Many small businessmen borrow \$500.00 from consumer finance companies to meet their payrolls and pay this money back in four or five days and sometimes within a month."

We discussed the Priest statement with consumer credit officials at the Federal Reserve Board. They point out that they have long recognized the problems alluded to, but believe their figures give due weight to eliminating non-consumer or business uses, thus distinguishing or separating consumer and commercial debt.

An illustration in point in the \$4 billion "personal



"Just a word of congratulations upon the splendid conference in New Orleans. Also, I want to express my sincere thanks for the cordial reception and the prominent place you gave me as representative of our Association at these meetings. It was a most delightful and enjoyable experience. Your organization and ours have so much in common in the way of objectives, function and role in the national economy that it is extremely important that we maintain a close understanding and working relationship. The New Orleans Conference was a great step forward in the promotion of greater understanding and more good will between our groups."—Paul L. Selby, Executive Vice President, National Consumer Finance Association, Washington, D. C.

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"I was happy to be privileged to be a part of the program of the 39th Annual International Consumer Credit Conference. We had a fine meeting and I know the majority of people, like myself, left knowing the time had been well spent. Congratulations to you for the splendid planning which made the conference so successful."—H. D. Jarvis, Credit Manager, Burdine's, Miami, Florida.

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"The officers and members of the Credit Women's Breakfast Clubs of North America wish to express their sincere thanks to you and your staff for your assistance during the past year. We are particularly grateful for the cooperation given to us at the New Orleans Conference. The conference was well planned and the large attendance must have been gratifying to those who worked so diligently to make it the success that it was. Best wishes to you and your staff for another successful year."—Marjorie Girton, First Vice President, Credit Women's Breakfast Clubs of North America, Des Moines, Iowa.

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"Congratulations on another fine International Consumer Credit Conference at New Orleans. I enjoyed every minute of it and I surely appreciated the compliment you paid me by inviting me to appear on the panel Monday afternoon. I am looking forward to attending the conference next year at San Francisco."—E. Bland Cresap, President-Manager, Credit Bureau of Colorado Springs, Colorado Springs, Colo.

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"Your *Physicians and Dentists Credit and Collection Manual* has proven to be more than interesting. I have full intention of applying many of its suggestions. I want to compliment you on the fine job you did in publishing the manual."—Jerome S. Mittelman, D.D.S., 30 East 60th Street, New York, N. Y.

loans" category, it is pointed out, is the fact that (as a result of a careful survey) the total of all such loans is arbitrarily reduced by 15 per cent to take care of installment loans for business purposes or uses rather than consumer uses.

A similar reduction is made from total automobile purchases to take care of cars bought for "company use," taxicabs, and the like. The Board is careful to point out that it is not infallible, and might err in their percentages.

The essential problem, however, posed by the Congressman Priest approach, the Federal Reserve Board feels, is

"At our weekly luncheon meeting recently, Past National President, Ralph W. Watson, presented me with a certificate in the Quarter Century Club of the N.R.C.A. I appreciate immensely receiving this certificate which is so beautifully inscribed and I shall always prize it highly."—R. T. Schatz, The Washington Water Power Co., Spokane, Wash., Past President, N.R.C.A.

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"The International Consumer Credit Conference held in New Orleans will forever be one of my most pleasant memories. To me it seems that each year our conference is better than the one before and the enthusiasm and attendance at the various meetings certainly gave evidence of this fact. Thank you, Mr. Crowder, for your support, your loyalty and assistance during the year. Without you and Arthur H. Hert to guide us on our way and without the wonderful help of both of you gentlemen, we could not have progressed as we have nor could we have had the fine educational course."—Nelle Stombs, Junior Past President, Credit Women's Breakfast Clubs of North America, Eddie Gippert Motor Sales, Rock Island, Ill.

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"My congratulations on a most successful conference at New Orleans. I believe, from the standpoint of attendance, program and general interest, the conference was the most satisfactory and best we have ever had. Everything indicated careful planning and a lot of hard work."—Henry C. Alexander, President, N.R.C.A., Credit Manager, Belk Brothers, Charlotte, N. C.

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"You might like to know my feelings that the audience at the general session on Thursday at the New Orleans Conference was one of the most attentive and most appreciative groups which I have ever had the privilege of addressing. It was indeed an honor and a privilege to be permitted to talk to that grand group. You and your co-workers are to be congratulated upon staging such a successful conference with a completely planned program. I was particularly impressed with the organization of the program and the close adherence to previously established time schedules."—J. C. Fairis, Customer Business Department, Union Electric Company of Missouri, St. Louis, Mo.

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"I was pleased to receive the certificate of membership in the Quarter Century Club of the N.R.C.A. Working for the past 25 years in the credit field has been most enjoyable and I am happy to state that the 25 years has been spent with this fine firm and a recognized leader in the department stores in this area."—Charles G. Sumner, Hart-Albin Co., Billings, Mont.

one of differences in judgment and in the definition of terms. For instance, the Board figures that it would be more meaningful to loan and finance institutions and the automobile industry to include all passenger cars bought on the installment plan, and thus to include doctors, salesmen and farmers, than to attempt to eliminate these categories. Again, it is suggested, it would be almost impossible to draw a line of demarcation, since in most instances such cars are also "the family car." Such problems, the Board feels, are largely questions of "definition" and "judgment." It has tried to apply the best informed judgment in light of all known facts.

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# LOCAL ASSOCIATION *Activities*



## District Twelve at New York

At the annual meeting of District Twelve held in New York, N. Y., the following officers and directors were elected: President, Willard Poole, The Diamond, Charleston, W. Va.; Vice President, David Bollman, Jos. Horne Co., Pittsburgh, Pa.; and Secretary-Treasurer, Jos. A. White, Harris Stores Co., Pittsburgh, Pa. Directors: George W. Stephens, R. E. Powell & Co., Salisbury, Md.; Jack P. Lee, Frankenberger & Co., Charleston, W. Va.; C. G. Kaessner, Kaufmann's, Pittsburgh, Pa.; A. J. King, Kennard's, Wilmington, Del.; Mrs. Daris Long, Encyclopaedia Britannica, Washington, D. C.; J. P. Stedehouder, Central Charge System, Washington, D. C.; Mary Altizer, S. H. Heironimus Co., Roanoke, Va.; and Florence Wyatt, Butterworth Furniture Co., Richmond, Va.

## St. Petersburg, Florida

At the annual meeting of the Associated Retail Credit Grantees of St. Petersburg, St. Petersburg, Florida, the following officers and directors were elected: President, Mrs. Jean Mobley, Rutland's Men's Store; Vice President, Boyce Presnell, Pinellas Lumber Co.; Secretary, A. L. Peterson, Credit Bureau of St. Petersburg; and Treasurer, Mrs. Dorothy Nolan, Frank & Murray. Directors: Ralph Haskell, City Fuel Oil Co.; Mrs. Charlotte Playford, Maas Bros.; Frances Preston, St. Petersburg Gas Appliance Co.; and Seymour Thompson, First National Bank.

## Bridgeport, Connecticut

At the third annual meeting of the Retail Credit Association of Bridgeport, Bridgeport, Connecticut, the following officers and directors were elected: President, Harry Friedman, Arcade Dress Shop; Vice President, Edgar Courtemanch, D. M. Read Co.; Treasurer, Nicholas Badamo, Outlet Millinery Co.; and Secretary, Walter H. Kerr, Bridgeport Credit Rating Bureau. Directors: Bernard Glaser, Sears Roebuck and Co.; Norman Devlin, Mitchell Dairy Co.; and Raymond Goebel, New England Coal & Coke Co.

## Brownsville, Texas

The Retail Credit Executives of Brownsville, Brownsville, Texas, have elected the following officers and directors for the ensuing year: President, M. J. White, Manske Motors; C. D. Jackson, Jackson Feed and Seed Store; and Secretary-Treasurer, Claire Key, Credit Bureau of Brownsville. Directors: M. J. Tipton, Pipkin Motors; O. A. Cleveland, Rio Grande Valley Gas Co.; M. L. Cavazos, Duffey's Western Auto Store; W. C. Pratt, Manske Auto Service; and John E. O'Brien, Immediate Past President.

## Victoria, British Columbia, Canada

The newly elected officers and directors of the Credit Granters' Association of Victoria, Victoria, British Columbia, Canada, are: President, James Anderson, Stewart & Hudson Ltd.; First Vice President, R. W. McKenzie, Heaney's Ltd.; Second Vice President, J. W. Gillis, Royal Jubilee Hospital; and Secretary, W. G. Ellis, Credit Bureau of Victoria Ltd. Directors: R. Whelans, Standard Furniture Co.; L. Evenden, Hudson's Bay Co.; G. A. A. Heben, Diggon's Ltd.; Audrey Harness, Little & Taylor; J. D. Wilson, The T. Eaton Co. Ltd., and T. R. Edwards, The Canadian Bank of Commerce.

## Oakland, California

At the recent annual dinner meeting of the Retail Credit Granters of Alameda County, Oakland, California, the following officers were elected: President, M. K. Magruder, Kahns; Vice President, Jerry Wilson, Merchants Collection Association; and Secretary-Treasurer, R. W. Callaway, Retailers Credit Association. Directors: William Foreman, Grodins; Munroe Denham, Dana Frane; Lois Huitt, Bank of Berkeley; Verta Walker, I. Magnin Co.; Charles Petersen, Simon Hardware Co.; Charles Quigg, Anglo California Bank; and Clarence Jones, Maxwell Hardware Co.

## Port Angeles, Washington

The new officers of the Retail Credit Association of Clallam County, Port Angeles, Washington, are: President, Charles E. Church, First National Bank; Vice President, L. B. Filion, Filion Jewelers; and Secretary, Antonia Polzin, Credit Bureau of Clallam County.

## Butte, Montana

The new officers of the Butte Retail Credit Association, Butte, Montana, are: President, Len Waters, Len Waters Music Supply Co.; Vice President, Helen Lybold, Weinberg's; Treasurer, Valeta Stabler, Game's Shoe Co.; and Rose Shaw, Credit Bureau of Butte.

## St. Paul, Minnesota

At the annual meeting of the St. Paul Retail Credit Association, St. Paul, Minnesota, the following officers and directors were elected: President, John A. Haig, Lampland Lumber Co.; Vice President, Ernest Knutson, Murphy Finance Co.; and Secretary-Treasurer, B. J. Duffy, Credit Bureau of St. Paul. Directors: Ray R. Swanson, St. Paul House Furnishings Co.; Evan Landers, Schuneman's; R. A. Grove, Grove & Hauer Loan Co.; B. A. Mulligan, Rex Oil Co.; Madeline Wilhelm, Borg & Powers; and Leslie Barron, Malmon Pontiac Co.

# COMMENTS

*By the Editor*



## Bank and Central Charge Plans

IT HAS BEEN announced that companies financing charge account sales for member stores are authorizing the acceptance of credit cards of oil companies and hotels and credit plates of stores as evidence of the credit responsibility of the customer.

This can lead to the extension of credit to many who may be heavily in debt and others no longer entitled to credit. The result will be an increase in collection expense and possibly a substantial bad debt loss.

Granting credit on credit cards issued by others is a mistake. It is an invitation to overbuy, which over the years has been a major problem of experienced and capable credit executives.

Every customer applying for credit should be checked through the Credit Bureau and credit cards issued only to those in good credit standing for a period of three to five years.

Controlling accounts will prove difficult where there are 150 to 300 stores and they are permitted to deliver merchandise to the value of \$10.00, and in some instances more, without telephoning the financing institution for credit approval. If the store guarantees the sales and there is some doubt about the credit risk, cash should be required.

There is profitable business to be had from borderline credit risks, provided purchases on such accounts can be controlled.

Financing institutions can control substandard risks by issuing script in an amount to which, in the judgment of the department manager, the customer is entitled, with the understanding that additional script will be available as the indebtedness is liquidated.

Customers should be educated to follow the slogan of the National Retail Credit Association, "Buy Wisely—Pay Promptly."



*General Manager-Treasurer*



*Mr. Credit Executive . . .*

Do you age your accounts? Here is a form designed especially for your needs.



To assist Credit Departments in performing a more efficient credit control on past due accounts, we have several times during the past few years revised the Age Analysis form reproduced below. Over 2,000,000 have been sold to date, testifying to its success.



It is especially effective for smaller stores for use in collection follow-up and freezing accounts.



The size is 9½" x 12" and they are padded 100 to a pad. Prices: 100, \$1.25; 500, \$4.50; 1,000, \$8.50. Postage extra. Special prices on larger quantities. Order Age Analysis Form No. 721, today, from your Credit Bureau or National Office.



# NATIONAL RETAIL CREDIT ASSOCIATION



375 Jackson Avenue

St. Louis 5, Mo.

## ACCOUNTS RECEIVABLE AGE ANALYSIS

**NAME OF FIRM**

MONTH OF

- 18 -

In the interest of efficient credit control accounts past due more than 60 days or accounts in an overbrought condition should be reported to the Credit Bureau.

Form 721—National Retail Credit Association—Saint Louis

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### **How To Write Good Credit Letters**

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In presenting to you this new book by Dr. Clyde Wm. Phelps, it is with the thought that it will be read by everyone interested in this important subject. Dr. Phelps is also the author of our text and reference book, RETAIL CREDIT FUNDAMENTALS which was revised recently. This handbook was written expressly for credit personnel in the larger credit departments, and for the many retailers who, burdened with other duties involved in merchandising the store, are also responsible for credit operations. Because of the press of other duties, this important function is often neglected, with resultant slow accounts and eventual bad debts. The book is dedicated, therefore, to the small merchant and the credit novice, in the belief that it will develop credit sales and result in a more efficient and profitable operation. This handbook should be on the desk of each member of the Credit Office Staff. Order a supply TODAY.

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